CASEYS GENERAL STORES INC
Form PRE 14A
July 09, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)
Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

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

CASEY'S GENERAL STORES, 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):

ý No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  (1) Title of each class of securities to which transaction applies:
  (2) Aggregate number of securities to which transaction applies:
  (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  (4) Proposed maximum aggregate value of transaction:
  (5) Total fee paid:
o 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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[PRELIMINARY PROXY STATEMENT -- SUBJECT TO COMPLETION]

[DATE], 2018

To Our Shareholders:

I am pleased to invite you to attend the annual meeting of shareholders of Casey’s General Stores, Inc. (“Casey’s”) to be held at 9:00 a.m., Central Time, on September 5, 2018, at Casey’s Corporate Headquarters, One SE Convenience Blvd., Ankeny, Iowa (the “Annual Meeting”).

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement describe the matters to be considered and voted upon at the Annual Meeting. At the Annual Meeting we also will report on our results this past year and you will have an opportunity to ask questions.

We hope all of our shareholders will be able to attend the Annual Meeting. It is important that you be represented, whether or not you plan to attend the Annual Meeting personally. If you request a paper copy of the proxy materials, please promptly complete, sign, date and return the proxy card in the envelope provided to ensure that your vote will be received and counted. Alternatively, you may vote your proxy card by telephone or through the Internet as described in more detail in the section of the accompanying Proxy Statement entitled “About the Annual Meeting--How to Vote; Submitting Your Proxy; Revoking Your Proxy.”

On behalf of the Board of Directors and Casey’s management, thank you for your support, and we look forward to seeing you at the meeting.

Sincerely,

Terry W. Handley
President and Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

September 5, 2018

To the Shareholders of Casey's General Stores, Inc.:

The annual meeting of the shareholders of Casey's General Stores, Inc., an Iowa corporation ("Casey's"), will be held at Casey's Corporate Headquarters, One SE Convenience Blvd., Ankeny, Iowa, on September 5, 2018, at 9:00 a.m., Central Time (the "Annual Meeting"), for the following purposes:

1. To elect three Class II directors for terms expiring in 2021;

2. To ratify the appointment of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending April 30, 2019;

3. To hold an advisory vote on our named executive officer compensation;

4. To approve the Casey's General Stores, Inc. 2018 Stock Incentive Plan;

5. To approve an amendment to the Company's Articles of Incorporation to implement majority voting in uncontested director elections;

6. To approve an amendment to the Company's Articles of Incorporation to provide that the number of directors constituting the Board of Directors shall be determined by the Board of Directors; and

7. To transact such other business as may properly come before the Annual Meeting or at any adjournment or postponement thereof.

The above matters are described in the Proxy Statement accompanying this Notice. You are urged to read the Proxy Statement carefully, and to vote by using one of the following methods, whether or not you plan to attend the Annual Meeting: (i) vote by telephone, (ii) vote on the Internet, or (iii) request a paper copy of the 2018 proxy materials by following the instructions on the notice mailed to you on or about [DATE], 2018 entitled "Important Notice Regarding the Availability of Proxy Materials" and promptly return your completed, signed and dated proxy card in the envelope provided.

Voting instructions are described in more detail in the section of the accompanying Proxy Statement entitled "About the Annual Meeting--How to Vote; Submitting Your Proxy; Revoking Your Proxy."

Only shareholders of record of Casey's Common Stock at the close of business on July 17, 2018 are entitled to notice of, and to vote at, the Annual Meeting.

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By Order of the
Board of Directors,

Julia L. Jackowski
Senior Vice
President—Corporate
General Counsel
and Secretary

[DATE], 2018

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on September 5, 2018

The Notice of Annual Meeting of Shareholders, the Proxy Statement and Annual Report to Shareholders are available at www.envisionreports.com/CASY

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ABOUT THE ANNUAL MEETING

General

The annual meeting of shareholders of Casey’s General Stores, Inc. (“Casey’s”, the “Company”, “we”, “our” or “us”) will be h at 9:00 a.m., Central Time, on September 5, 2018, at Casey’s Corporate Headquarters, One SE Convenience Blvd., Ankeny, Iowa (the “Annual Meeting”). The mailing address of the Company’s principal executive offices is P.O. Box 3001, One SE Convenience Blvd., Ankeny, Iowa 50021-8045.

This Proxy Statement and the proxy card are first being provided and/or made available on or about [DATE], 2018 to each holder of record of common stock, no par value per share (“Common Stock”), of the Company at the close of business on July 17, 2018 (the “Record Date”). On the Record Date, there were [NUMBER] shares of Common Stock outstanding. Each share of Common Stock will be entitled to one vote on all matters.

Casey’s Board of Directors (the “Board of Directors” or “Board”), through the Notice of Internet Availability of Proxy Materials, the Notice of Annual Meeting of Shareholders, this Proxy Statement and the proxy card, is soliciting your vote on matters being submitted for shareholder approval at the Annual Meeting and any adjournments or postponements thereof.

At the Annual Meeting, shareholders will vote on the following matters:

- To elect three Class II directors for terms expiring in 2021;
- To ratify the appointment of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending April 30, 2019;
- To hold an advisory vote on our named executive officer compensation;
- To approve the Casey’s General Stores, Inc. 2018 Stock Incentive Plan;
- To approve an amendment to the Company’s Articles of Incorporation (the “Articles”) to implement majority voting in uncontested director elections;
- To approve an amendment to the Articles to provide that the number of directors constituting the Board of Directors shall be determined by the Board of Directors; and
- To transact such other business as may properly come before the Annual Meeting or at any adjournment or postponement thereof.

The Board is not aware at this date of any matter proposed to be presented at the Annual Meeting other than those described in this Proxy Statement. The persons named on the proxy card will have discretionary authority to vote on any other matter that is properly presented at the meeting, according to their best judgment.

Securities Entitled to Vote

The only securities eligible to be voted at the Annual Meeting are shares of Common Stock. Only holders of Common Stock at the close of business on the Record Date (July 17, 2018) are entitled to vote. Each share of Common Stock represents one vote, and all shares vote together as a single class. There were [NUMBER] shares of Common Stock issued and outstanding on the Record Date.

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Quorum; Vote Required

The presence in person or by proxy of shareholders entitled to cast a majority of all the votes entitled to be cast at the meeting constitutes a quorum. Shareholders are entitled to one vote per share. Shares of Common Stock held by shareholders abstaining from voting but otherwise present at the meeting in person or by proxy (“abstentions”) and votes withheld are included in determining whether a quorum is present. Broker shares that are not voted on a particular proposal because the broker does not have discretionary voting power for that proposal and has not received voting instructions from the beneficial owner (“broker non-votes”) are included in determining whether a quorum is present.

- For Proposal 1, the election of directors, every shareholder has the right to vote each share of Common Stock owned by such shareholder on the Record Date for as many persons as there are directors to be elected. Cumulative voting is not permitted. To be elected under Iowa law, a director-nominee must receive a plurality of the votes cast at the meeting (meaning that the three directors who receive the highest number of shares voted “FOR” their election are elected).

Our Corporate Governance Guidelines (described on page 13) provide that in an uncontested election, any director who receives a greater number of votes “WITHHELD” from his or her election than votes “FOR” such election (a “Majority Withheld Vote”) is expected to tender his or her resignation as a director. All of the current directors have tendered irrevocable resignations to the Company that will be effective upon the director receiving a Majority Withheld Vote and Board acceptance of such resignation. Only votes cast “FOR” a nominee or “WITHHELD” from voting will be counted. Abstentions and broker non-votes will not be counted as votes cast for such purpose and therefore will have no effect on the results of the election. Further information about our “plurality-plus” voting policy is on page 14 under the heading “Governance of the Company--Other Key Corporate Governance Provisions-Mandatory Resignation Policy.”

- Proposal 2, to ratify the selection of the independent registered public accounting firm, requires the affirmative vote of the majority of the votes cast on the proposal. Abstentions will not be counted as votes cast for such purposes and therefore will have no effect on the results of the vote for Proposal 2.

- Proposal 3, the advisory non-binding resolution on our named executive officer compensation, requires the affirmative vote of the majority of the votes cast on the proposal. Abstentions and broker non-votes will not be counted as votes cast for such purposes and therefore will have no effect on the results of the vote for Proposal 3.

- Proposal 4, to approve the Casey’s General Stores, Inc. 2018 Stock Incentive Plan, requires the affirmative vote of the majority of the votes cast on the proposal. Abstentions and broker non-votes will not be counted as votes cast for such purposes and therefore will have no effect on the results of the vote for Proposal 4.

- Proposal 5, to amend the Articles to implement majority voting in uncontested director elections, requires the affirmative vote of the holders of at least two-thirds of the shares entitled to vote at the time such amendment is proposed. Therefore, in tabulating the voting results for approval of the proposed amendment to the Articles, abstentions and broker non-votes will have the effect of a vote “AGAINST” Proposal 5.

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- Proposal 6, to amend the Articles to enable the Board to determine the number of directors that constitutes the Board requires the affirmative vote of the holders of at least two-thirds of the shares entitled to vote at the time such amendment is proposed. Therefore, in tabulating the voting results for approval of the proposed amendment to the Articles, abstentions and broker non-votes will have the effect of a vote “AGAINST” Proposal 6.

How to Vote; Submitting Your Proxy; Revoking Your Proxy

Your vote is very important to the Company. Whether or not you plan to attend the Annual Meeting, we urge you to vote your shares today.

You may vote your shares by either:

- Voting in person at the Annual Meeting; or
- Submitting a completed proxy.

By submitting a proxy, you are legally authorizing another person to vote your shares. The proxy card designates H. Lynn Horak and Terry W. Handley to vote your shares in accordance with the voting instructions you indicate on your proxy card. If you submit your executed proxy card designating Mr. Horak and Mr. Handley as the individuals authorized to vote your shares, but you do not indicate how your shares are to be voted, then your shares will be voted by those individuals in accordance with the Board’s recommendations, which are described in this Proxy Statement. In addition, if any other matters are properly raised at the Annual Meeting (other than the proposals contained in this Proxy Statement), then each of these individuals will have the authority to vote your shares on those matters in accordance with his discretion and judgment. The Board currently does not know of any matters to be raised at the Annual Meeting other than the proposals contained in this Proxy Statement.

We urge you to vote by doing one of the following:

- Vote by Mail: You can vote your shares by mail by requesting a paper copy of the 2018 proxy materials by following the instructions on the Notice of Internet Availability of Proxy Materials and promptly returning your completed, signed and dated proxy card in the envelope provided. In order for your proxy to be validly submitted and for your shares to be voted in accordance with your instructions, please mail your proxy card in sufficient time for it to be received by the morning of September 5, 2018.
- Vote by Telephone: You can also vote your shares by calling the toll-free number indicated on your proxy card at any time on a touch-tone telephone and following the recorded instructions. If you submit your proxy by telephone, you may submit your voting instructions until 11:59 p.m., Eastern Time, on September 4, 2018. If you are a beneficial owner, or you hold your shares in “street name” as described below, please contact your bank, broker or other holder of record to determine whether you will be able to vote by telephone.
- Vote by Internet: You can vote your shares on the Internet by going to the website address for Internet voting indicated on your proxy card and following the steps outlined. If you submit your proxy on the Internet, you may submit your voting instructions until 11:59 p.m., Eastern Time, on September 4, 2018. If you are a beneficial owner, or you hold your shares in “street name” as described below, please contact your bank, broker or other holder of record to determine whether you will be able to vote on the Internet.

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If you hold shares through the Company's 401(k) Plan (the "401K Plan"), such shares are not registered in your name, and your name will not appear in the Company's register of shareholders. Instead, your shares are registered in the name of a trust, which is administered by Principal Trust Company (the "Trustee"). Only the Trustee will be able to vote your shares, even if you personally attend the Annual Meeting. You can direct the voting of the shares allocated to your accounts (including changing or revoking a previously submitted vote), on the Internet, by telephone or by mail on a proxy instruction card, but cannot direct the voting of your 401K Plan shares in person at the meeting. If voting instructions for shares in the 401K Plan are not returned, those shares will be voted by the Trustee in the same proportion as the shares for which voting instructions are returned by the other participants in the 401K Plan. To allow sufficient time for the Trustee to tabulate the vote of the 401K Plan shares, participant instructions must be received before 11:59 p.m., Eastern Time, on September 3, 2018.

If you have previously submitted a proxy card, you may change any vote you may have cast by following the instructions on the proxy card to vote by telephone or on the Internet, or by completing, signing, dating and returning a new proxy card, or by attending the Annual Meeting and voting your shares in person. If your shares are registered in the "street name" of a bank, broker or other holder of record, please contact the applicable bank, broker or record holder for instructions on how to change or revoke your vote.

Your proxy is revocable. If you are a shareholder of record, after you have submitted your proxy card, you may revoke it by mail before the Annual Meeting by sending a written notice to Julia L. Jackowski, Senior Vice President--Corporate General Counsel and Secretary, Casey's General Stores, Inc., P.O. Box 3001, One SE Convenience Blvd., Ankeny, Iowa 50021-8045. If you wish to revoke your submitted proxy card and submit new voting instructions by mail, then you must sign, date and mail a new proxy card with your new voting instructions. Please mail any new proxy card in sufficient time for it to be received by the morning of September 5, 2018. If you are a shareholder of record and you voted your proxy card by telephone or on the Internet, you may revoke your submitted proxy and/or submit new voting instructions by that same method, which must be received by 11:59 p.m., Eastern Time, on September 4, 2018. You also may revoke your proxy card by attending the Annual Meeting and voting your shares in person. Attending the Annual Meeting without taking one of the actions above will not revoke your proxy. If you are a beneficial owner, or you hold your shares in "street name" as described below, please contact your bank, broker or other holder of record for instructions on how to change or revoke your vote.

Your vote is very important to the Company. If you do not plan to attend the Annual Meeting, we encourage you to read this Proxy Statement and submit your completed proxy prior to the Annual Meeting in accordance with the above instructions so that your shares will be represented and voted in accordance with your instructions. Even if you plan to attend the Annual Meeting in person, we recommend that you vote your shares in advance as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

If your shares are not registered in your name but in the "street name" of a bank, broker or other holder of record (a "Nominee"), your name will not appear in the Company's register of shareholders. Your Nominee, as the record holder of your shares, is required to vote those shares in accordance with your instructions. If you do not give instructions to your Nominee, your Nominee will be entitled to vote the shares with respect to "discretionary" items but will not be permitted to vote the shares with respect to "non-discretionary" items (those shares are treated as broker non-votes). Proposal 1 (election of directors), Proposal 3 (executive officer compensation), Proposal 4 (approval of the 2018 Stock Incentive Plan), Proposal 5 (majority voting in uncontested director elections) and Proposal 6 (number of directors to be determined by the Board) will be "non-discretionary" items for any Nominee holding shares on your behalf. As a result, if your shares are held in "street name" and you do not provide instructions as to how your shares are to be voted, your

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Nominee will not be able to vote your shares on these proposals. Note that even if you attend the Annual Meeting, you cannot vote the shares that are held by your Nominee unless you have a proxy from your Nominee. If you do not provide instructions to your Nominee and your Nominee does not vote your shares on your behalf with respect to Proposal 2 (ratification of the selection of the independent registered public accounting firm), which is a “discretionary” item, your shares will not be counted in determining whether a quorum is present for the Annual Meeting. If your Nominee exercises its “discretionary” authority to vote your shares on Proposal 2, your shares will be counted in determining whether a quorum is present for all matters presented at the Annual Meeting. We urge you to provide instructions to your Nominee so that your votes may be counted on these important matters. Please contact your Nominee for the deadlines for submission of your vote. Your proxy is revocable. Please contact your Nominee for instructions on how to change or revoke your vote.

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

For directions to the Annual Meeting, call (515) 965-6106, or visit our website at www.caseys.com/about-us/news. Information on how to vote in person is available by contacting Julia L. Jackowski, Senior Vice President--Corporate General Counsel and Secretary, at (515) 965-6579, or by writing to us at:

Casey’s General Stores, Inc.
Corporate Secretary
P.O. Box 3001
One SE Convenience Blvd.
Ankeny, Iowa 50021-8045

The Notice of Annual Meeting of Shareholders, this Proxy Statement and the Annual Report to Shareholders for the year ended April 30, 2018, are available at www.envisionreports.com/CASY.
The Company also makes available, free of charge through its website, www.caseys.com, under the “Casey’s Corporate” heading at the bottom of the home page, this Proxy Statement, the Annual Report to Shareholders, the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as soon as reasonably practicable after these documents are electronically filed with, or furnished to, the Securities and Exchange Commission (the “SEC”).

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PROPOSAL 1

ELECTION OF DIRECTORS

Introduction

Our Board consists of nine, highly-qualified directors. The Board collectively brings a broad range of executive leadership, consumer/retail, digital marketing, operations, M&A, finance and accounting expertise, as well as broad geographic diversity.

- Director Nominee Selection: To ensure the Board is comprised of highly-talented and experienced individuals, the Nominating and Corporate Governance Committee annually assesses the competencies and skills that each existing director possesses. The Committee also considers the skills and competencies the Board as a whole should possess in order to provide effective oversight of the Company's business. Based on that assessment and as it deems appropriate, the Nominating and Corporate Governance Committee may establish search criteria for future Board candidates, select suitable candidates for interviews and subsequently recommend appropriate candidates to the Board for consideration. Board candidates are considered based on various criteria, including relevant business and board skills and experiences, judgment and integrity, reputation in their profession, diversity of background, education, leadership ability, concern for the interests of shareholders and relevant regulatory guidelines. These considerations are made in light of the needs of the Board at the particular point in time.

Directors must be willing and able to devote sufficient time to carrying out their duties and responsibilities effectively and, subject to the Company's enhanced age and tenure limitations, should be committed to serving on the Board for an extended period of time.

- Nominees for the Annual Meeting: The Nominating and Corporate Governance Committee has recommended, and the Board has nominated, Terry W. Handley, Donald E. Frieson, and Cara K. Heiden to stand for election at the Annual Meeting, each for a three-year term expiring in 2021. Further information on these nominees, and the other directors continuing in office, is set forth below.

It is intended that all proxies, unless contrary instructions are given thereon, will be voted FOR the election of the three nominees. In the event of death or disqualification of any nominee, or the refusal or inability of any nominees to serve as a director, the proxy may be voted with discretionary authority for the election of a substitute nominee approved by the Board.

2018 Fiscal Year Board Updates

The 2018 fiscal year was transformational for our Board, as it underwent significant refreshment and enhanced a number of its governance practices. The Board is committed to building a sound corporate governance structure that is the foundation of integrity, shareholder transparency and strong financial performance. As a result of this commitment and our outreach efforts to shareholders during the fiscal year, the following important actions were taken by the Board:

- Board Refreshment: The Board added five new, highly-qualified independent directors:

- Cara K. Heiden (elected July 2017): Retired Co-President of Wells Fargo Home Mortgage. Ms. Heiden filled the vacancy created by the death of former director Rich Wilkey, who passed away in April 2017.

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- Donald E. Frieson (elected March 2018): Former Executive Vice President of Operations of Sam's Club, a division of Walmart Inc. Mr. Frieson filled the vacancy created by the retirement of former director William C. Kimball.

- David K. Lenhardt (elected March 2018): Former President and Chief Executive Officer of PetSmart, Inc. Mr. Lenhardt filled the vacancy created by the retirement of former director Robert J. Myers.

- Judy A. Schmeling (elected March 2018): Former Chief Operating Officer of HSN, Inc. ("HSN"), and former President of Cornerstone Brands, a division of HSN. Ms. Schmeling was elected to fill the vacancy created by the death of former director Johnny Danos, who passed away in March 2018.

- Allison M. Wing (elected March 2018): Former Chief Marketing Officer and Executive Vice President of Digital at Ascena Retail Group, Inc. Ms. Wing filled the vacancy created by the retirement of former director Jeffrey M. Lamberti.

- Gender Diversity: Five of the nine directors, including the Audit, Compensation, Nominating and Corporate Governance, and Risk committee chairs, are female.

- Independent Board Leadership: The Board elected H. Lynn Horak, an independent director of the Company since 2009, to the position of independent Board Chair. We believe our current Board leadership structure provides effective oversight of management and strong leadership of the independent directors.

- Board Independence: Eight of the Company's nine directors, including the Board Chair, are independent.

- Low Average Tenure/Age: The average director tenure is 3.3 years, while the average age is 58.3 years.

- As discussed further below, the Company also:

- Adopted proxy access

- Implemented meaningful director age and tenure limitations

- Adopted majority voting for directors in uncontested elections (subject to shareholder approval at the Annual Meeting--see Proposal 5)

- Based on recent changes to Iowa law, will begin a phased declassification of its Board starting with the 2019 annual shareholders' meeting

Board Structure

Currently, the Board may consist of up to nine persons, and individuals may be elected by the Board to fill any vacancies or to occupy any new directorships. The person filling such vacancy or newly-created directorship is to serve out the remainder of the term of the vacated directorship or, in the case of a new directorship, the term designated for the particular director.

The Company is incorporated in Iowa. Currently, under the Iowa Business Corporation Act (the "Act"), the Board is required to be classified (no opt-out mechanism exists), and as such, consists of three classes of directors, each with a three-year staggered term:

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- The "Class II" directors include Mr. Handley, Mr. Frieson and Ms. Heiden. Mr. Handley was elected by the shareholders in 2015, and Mr. Frieson and Ms. Heiden were elected by the Board to fill vacancies in March 2018 and July 2017, respectively. Their terms continue until the Annual Meeting, and until their successors are elected.
- The "Class III" directors include Mr. Horak, Ms. Schmeling and Ms. Wing. Mr. Horak was elected by the shareholders in 2016, and Ms. Schmeling and Ms. Wing were elected by the Board to fill vacancies in March 2018. Their terms continue until the 2019 annual shareholders' meeting, and until their successors are elected.
- The "Class I" directors include Diane C. Bridgewater, Larree M. Renda and David K. Lenhardt. Ms. Bridgewater and Ms. Renda were elected by the shareholders in 2017, and Mr. Lenhardt was elected by the Board to fill a vacancy in March 2018. Their terms continue until the 2020 annual shareholders' meeting, and until their successors are elected.

Phased Declassification: On March 21, 2018, Iowa Senate Bill 2378 was signed into law, which amended the Act to require the Company to begin a phased declassification of the Board over a three-year period, starting with its 2019 annual shareholders' meeting. Therefore, at the Annual Meeting, the Class II nominees--Mr. Handley, Mr. Frieson and Ms. Heiden--will stand for election for a three-year term, expiring in 2021. However, at the 2019 annual shareholders' meeting, the Class III nominees will stand for annual election (and will no longer be assigned to a "class"). At the 2020 annual shareholders' meeting, those directors, along with the Class I nominees, will stand for annual election (and will also no longer be assigned to a "class"). Finally, at the 2021 annual shareholders' meeting, all of the Company's nominees will stand for annual election.

Nominees for Election as Class II Directors-Terms to Expire in 2021

The Board believes that all three director nominees have demonstrated outstanding achievement in their professional careers, possess personal and professional integrity and independent judgment, and have the necessary skills and qualifications to provide effective oversight, strategic guidance and contribute to the success of the Company. The number of shares of Common Stock of the Company beneficially owned by each nominee appears on page 25.

The Board recommends a vote FOR the election of each nominee.

TERRY W. HANDLEY
President and CEO, Casey's General Stores, Inc.

Director Since: 2015 Age: 58	Casey's General Stores, Inc. • President and CEO (2016-Present) • President and COO (2014-2016) • Senior VP - COO (2006-2014) • Senior VP - Store Operations

(2003-2006)

- Various operational and management positions (1981-2003)

Mr. Handley is a highly-respected, 37-year veteran of the Company, having held critical operational, marketing, executive and other leadership positions. Over the years, he has been instrumental in the growth, development and culture of the Company. This experience, along with his deep expertise and knowledge of the convenience store and quick-service restaurant industries, enables Mr. Handley to provide important insights to the Board regarding operations, marketing and product development, management and strategic planning.

Committees:	Notable Skills and Qualifications

Executive	ü Senior business operations leadership ü Consumer products and retail	ü Public company CEO

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DONALD E. FRIESON
Former Executive VP of Operations, Sam's Club (a division of Walmart)

Director Since: 2018

Age: 60

Committees:
Risk

Sam's Club (a division of Walmart, Inc.)

- Executive VP of Operations (2014-2017)
- Senior VP - Replenishment, Planning & Real Estate (2012-2014)

Massmart Holdings Limited (a subsidiary of Walmart, Inc.)

- Chief Integration Officer (2011-2012)

Walmart, Inc.

- Senior VP - Supply Chain Eastern US (2010)
- President - Central Division (2007-2010)
- Various operational and management positions (1999-2007)

Mr. Frieson brings over 18 years of fleet management and operations experience at one of the world's largest retailers. As Executive VP of Operations at Sam's Club, Mr. Frieson was responsible for the operations of more than 600 stores. He previously served within Walmart International as Chief Integration Officer for Massmart Holdings Limited, a chain of more than 300 stores operating in 13 sub-Saharan Africa nations. He first joined Walmart in 1999 as a district manager for the private fleet, after 12 years at Schneider National Carriers, where he developed expertise in the trucking industry.

Notable Skills and Qualifications

ü Supply chain, logistics, distribution

Nominating and Corporate Governance

Senior business

operations leadership

ü Consumer products and retail

ü Real estate, development, and construction

CARA K. HEIDEN
Retired Co-President, Wells Fargo Home Mortgage

Director Since: 2017

Age: 62

Committees:

Wells Fargo Home Mortgage
- Co-President (2004-2011)
- Head of National Consumer Lending (1998-2004)
- Head of Loan Administration (1994-1997)
- VP and CFO (1992-1994)

Wells Fargo Bank Iowa
- Senior VP and CFO (1988-1992)
- Various financial leadership positions (1981-1988)

Ms. Heiden has over 20 years of executive leadership experience in the financial services industry, serving in both regional and national roles. Her successful career in the

Wells Fargo organization led to her being named multiple times to U.S. Banker magazine's list of "25 Most Powerful Women in Banking." Ms. Heiden's extensive financial, strategy, marketing, operational, and consumer policy expertise will provide the Board with valuable insight in those key areas.

Audit (Chair)	Notable Skills and Qualifications
Risk	ü Senior business operations leadership
Executive	ü Consumer products and retail
	ü Mergers and acquisitions
	ü Regulatory, legal, compliance
	ü Risk management
	ü Finance, Accounting, financial reporting

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Directors Continuing in Office as Class III Directors-Terms to Expire in 2019

H. LYNN HORAK
Retired Regional Chairman, Wells Fargo Regional Banking

Director Since: 2009 Age: 72	Wells Fargo Bank - Midwest Region Regional President (2004-2007) Wells Fargo Bank Iowa Chairman of the Board and CEO (1991-2004) President and COO (1986-1991) Executive VP and CFO (1981-1986) Various financial and leadership positions (1972-1981) Mr. Horak spent the majority of his 35-year banking career leading complex and growing business organizations, from which he brings over three decades of executive leadership experience to his position as independent Board Chair. In recognition for his years of outstanding accomplishments

in the Wells Fargo organization, Mr. Horak was elected to the Iowa Business Hall of Fame in 2001. As a director of the Company since 2009, Mr. Horak has developed a deep understanding of the intricacies of the convenience store industry and provides the Board with a wealth of knowledge related to credit markets, consumer behavior and retail analysis.

Committees:	Notable Skills and Qualifications
Executive (Chair)	ü Senior business operations leadership
	ü Mergers and acquisitions
	ü Consumer products and retail
	ü Finance, accounting, financial reporting

JUDY A. SCHMELING
Former COO, HSN, Inc. and Former President, Cornerstone Brands

HSN, Inc.

- COO (2013-2017)
-

Director Since: 2018 Age: 58 Committees:	Executive VP and CFO (2008-2017) • Executive VP and CFO (2002-2008; when known as IAC Retailing) • Various financial and leadership positions (1994-2002) Cornerstone Brands (a division of HSN) • President (2016-2017) Ms. Schmeling is a seasoned executive, bringing over 20 years of financial, operational and leadership experience with her from HSN, a leading interactive multichannel retailer and the first television shopping network. Throughout her career, she has developed extensive experience in finance, information technology,

customer care, supply chain logistics and corporate strategy. Ms. Schmeling has also served in various roles through multiple corporate transitions, including the spin-off of HSN from IAC and HSN's integration of additional businesses.

Ms. Schmeling has served as a director of Constellation Brands, Inc. since 2013.

Audit

Nominating and Corporate Governance

Notable Skills and Qualifications

ü Senior business operations leadership

ü Consumer products and retail

ü Finance, accounting, financial reporting

ü Capital markets, investment banking

ü Risk management

ü Mergers and acquisitions

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ALLISON M. WING
Former Chief Marketing Officer and Executive VP of Digital, Ascena Retail Group, Inc.

Director Since: 2018 Age: 51 Committees: Compensation	Ascena Retail Group, Inc. • Chief Marketing Officer and Executive VP of Digital (2014-2017) giggle, Inc. • Founder, CEO and Chairperson (2004-2014) Ms. Wing is an experienced retail and brand marketing executive, bringing years of digital, retail and customer insights experience to the Board. At Ascena, a leading national specialty retailer of apparel for women, she successfully launched the company's loyalty program, developed its first customer

insights data production platform and launched its enterprise-wide e-commerce platform. Previously, Ms. Wing was the CEO and founder of giggle, Inc., a multichannel retailer, wholesaler and licenser of baby products. She started her career at Nike and later spent several years in Silicon Valley working for a variety of online, software and e-commerce companies.

Ms. Wing previously served as a director of Bazaarvoice, Inc. from April 2017 to February 2018.

Risk

Notable Skills and Qualifications

ü Senior business operations leadership

ü IT and security

ü Digital marketing

Consumer,

e-commerce, products
marketing, and
brand retail
management

Directors Continuing in Office as Class I Directors-Terms to Expire in 2020

DIANE C. BRIDGEWATER

Executive VP, Chief Financial and Administrative Officer, LCS

Director Since: 2007 Age: 55 Committees:	LCS Executive VP, Chief Financial and Administrative Officer (2011-Present) Vice President, Treasurer and CFO (2006-2011) Pioneer Hi-Bred International, Inc. VP and CFO, Pioneer Ag Business (2006) VP and Business Director, North America Operations Pioneer Ag Business (2004-2006) Global Customer and Sales Service Director-Dupont/Pioneer Ag Business (2001-2003) Ms. Bridgewater brings a wealth of finance, accounting, information technology and executive experience to the Board from LCS, a national leader in the planning, development and management of senior living communities. Her strategic and business operations leadership has helped LCS grow to managing more than $5 billion in assets and more than $1.5 billion in annual revenue with over 24,000 employees serving approximately 35,000 seniors. In addition to directing all

financial aspects of LCS and serving on its board and investment committee, Ms. Bridgewater is also responsible for overseeing LCS's insurance business line, group purchasing, IT, compliance, regulatory and legal matters.

Audit	Notable Skills and Qualifications	
Nominating and Corporate Governance (Chair)	ü Senior business operations leadership	ü Risk management
	ü IT and security	ü Regulatory, legal, compliance
Executive	ü Finance, accounting, financial reporting	

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LARREE M. RENDA
Retired Executive VP, Safeway, Inc.

Director Since: 2014	Safeway, Inc.
Age: 60	• Executive VP (1999-2015)
Committees:	• Senior VP (1994-1999)
	• Various management and leadership positions (1974-1994)
	Ms. Renda is a distinguished, 40-year veteran of the retail grocery industry, including over two decades in senior and executive leadership positions at Safeway, a supermarket chain in the United States. Her diverse responsibilities included retail strategy, labor relations, public affairs, communications, government relations, health initiatives, human resources, corporate social responsibility and sustainability, philanthropy, IT and real estate. In her early career at Safeway, Ms.

Renda earned the distinction of being the youngest store manager, district manager and retail operations manager in Safeway's history. She was also the first female and youngest person promoted to Senior VP, and subsequently became Safeway's first female Executive VP. Ms. Renda was twice voted as one of the "50 Most Influential Women in Business" by Fortune magazine.

Ms. Renda has served as a director of International Speedway Corporation since 2015. She also served as a director of HSBC Finance Corporation and HSBC North American Holdings Inc. from 2001 to 2014.

Notable Skills and Qualifications

Compensation (Chair)	
Risk (Chair)	ü Senior business operations leadership ü Capital markets, investment banking
Executive	ü Regulatory, legal, Compliance Consumer products

and
retail
ü Digital
marketing,
e-commerce,
brand
management

Real
estate,
development,
construction

DAVID K. LENHARDT
Former President and Chief
Executive Officer, PetSmart,
Inc.

Director Since:
2018

Age: 49

PetSmart, Inc.

- President and CEO (2013-2015)
- President and COO (2012-2013)
- Various management and leadership positions (2000-2012)

Bain & Company, Inc.

- Manager (1996-2000)

Mr. Lenhardt spent more than 14 years with PetSmart, a specialty provider of products, services and solutions for pets, including three years as President and two years as CEO. During this time, he developed its e-commerce and digital business, including through the acquisition of online retailer Pet 360 and deployment of PetSmart's order online/pick-up in-store capabilities. Mr. Lenhardt also successfully completed PetSmart's strategic review process in 2014, which resulted in the sale of PetSmart to BC Partners for $8.7 billion in 2015, representing the highest equity valuation in the history of the company. Prior to PetSmart, Mr. Lenhardt served as manager of Bain & Company, Inc., where he led consulting teams for retail, technology and e-commerce clients.

Committees:

	Notable Skills and Qualifications
Compensation	ü Senior business operations leadership ü Public company CEO
Audit	ü Consumer products and retail

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GOVERNANCE OF THE COMPANY

Corporate Governance Summary

The Company is committed to strong corporate governance, which we believe promotes the long-term interests of our shareholders, strengthens Board and management accountability and fosters strong Company performance.

To help ensure the Company meets this commitment, the Board has approved Corporate Governance Guidelines (the "Guidelines") to address key governance practices and identify the framework for the operations of the Board and its committees. A copy of the current Guidelines is posted on the Company's website (www.caseys.com) under the "Casey's Corporate" heading at the bottom of the home page.

The Nominating and Corporate Governance Committee monitors developments in law and in governance practices, including but not limited to those set forth by the Investor Stewardship Group, and recommends to the Board appropriate changes to the Guidelines and other governance practices.

Certain highlights of our corporate governance practices include the following:

- Independent Board Chair*
- Proxy access*
- Meaningful director age/tenure limits*
- Majority voting in uncontested director elections (subject to shareholder approval--see Proposal 5)*
- Phased declassification of the Board will begin with the 2019 annual shareholders' meeting*
- Regular Board and committee self-assessments
- Director over-boarding protections
- Strong corporate governance guidelines
- Annual say-on-pay advisory vote
- Single voting class of securities
- Executive officer incentive compensation clawback policy
- Diverse Board in terms of tenure, age, residency, gender, experience and skills
- Meaningful stock ownership guidelines for directors, officers and key employees
- Strong anti-hedging and pledging policy
- Robust code of ethics/conduct

*New in the 2018 fiscal year.

2018 Fiscal Year Governance Enhancements

As noted above, in the 2018 fiscal year, the Board adopted a number of enhancements to the Company's governance practices. These steps to enhance the Company's governance are reflective of the Company's values, which embrace shareholder engagement as an important tenet of good governance and promote the long-term interests of our shareholders. The Company's commitment to good governance practices led to the following changes this year:

- Independent Board Chair: In March 2018, the Board elected Mr. Horak, an independent director of the Company since 2009, to the position of independent Board Chair. This is a change from the Company's recent prior practice of a combined CEO and Board Chair role along with the election of an independent Lead Director.

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- Proxy Access: The Company's proxy access provisions permit a shareholder or a group of up to 20 eligible shareholders owning 3% or more of the Company's outstanding shares of Common Stock continuously for at least three years to nominate and include in the Company's annual meeting proxy materials, for any annual meeting of shareholders at which directors are to be elected, director nominees constituting up to the greater of (i) 20% of the total number of directors of the Company, or (ii) two individuals; provided that the nominating shareholder(s) and nominee(s) satisfy the requirements described in the Bylaws.

- Meaningful Director Age/Tenure Limits: The Board amended the Guidelines to provide that individual directors will not stand for re-election after completing 15 years of service on the Board or after reaching 75 years of age, subject to extension at the discretion of the Board.

- Majority Voting in Uncontested Director Elections (see Proposal 5): The Board approved an amendment to the Articles that, if approved by the shareholders, will implement a majority voting standard for uncontested elections of directors. The amendment will not become effective unless and until the shareholders approve the amendment. For further details, see Proposal 5 below.

- Phased Board Declassification: As discussed further above, under the heading "Board Structure" on page 7, in March 2018 the Act was amended, which will require a phased declassification of the Board over a period of three years, starting with the 2019 annual shareholders' meeting. By the 2021 annual shareholders' meeting, all director nominees of the Company will stand for annual election.

Other Key Corporate Governance Provisions

Set forth below are summary descriptions of certain of the Company's other key corporate governance practices and provisions:

- Independence: Eight of the nine individuals currently serving on the Board are considered independent under the Nasdaq Listings Standards. As set forth on page 71, the Board reviews all relationships and material transactions between the Company and its Board members to determine whether they would interfere with the director's independent judgment in carrying out the responsibilities of a director.

- Mandatory Resignation Policy: The Guidelines provide that any nominee for director in an uncontested election who receives a greater number of votes "withheld" from his or her election than votes "for" such election (referred to in the Guidelines as a "Majority Withheld Vote") is expected to tender his or her resignation as a director. The Board shall nominate for election or re-election as a director only candidates who agree to tender, promptly following the annual meeting at which they are elected or re-elected as a director, irrevocable resignations that will be effective upon (i) the director receiving a Majority Withheld Vote at the next annual meeting at which he or she stands for election or re-election and (ii) Board acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other directors in accordance with this Board policy.

If an incumbent director receives a Majority Withheld Vote, the Nominating and Corporate Governance Committee will act on an expedited basis to determine whether to accept the director's resignation and will submit such recommendation for prompt consideration by the Board. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. The Nominating and Corporate

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Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. Thereafter, the Board will promptly disclose its decision-making process and decision regarding whether to accept the director's resignation offer (or the reasons for rejecting the resignation offer, if applicable) on a Form 8-K furnished to the SEC.

- Clawback Policy: The Board has adopted a policy that enables the Company to seek reimbursement of any annual incentive payment or equity award made to an executive officer whenever (i) the payment was based upon achieving certain financial results that were subsequently the subject of a substantial or material restatement of the Company's financial statements (other than a restatement caused by a change in applicable accounting rules or interpretations), (ii) the Board determines that the executive officer engaged in intentional misconduct that caused or substantially caused the need for the restatement, and (iii) a lower payment would have been made to the executive officer based on the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover from the individual executive officer the amount by which the incentive payments for the relevant period exceeded the lower payment that would have been made based on the restated financial results.

- Executive Sessions: During the 2018 fiscal year, the Board held five executive sessions in which only the independent directors were present. All sessions held prior to Mr. Horak's election as the independent Board Chair were chaired by Mr. Horak, who was the Lead Director at the time. At least two executive sessions are held each year in conjunction with regularly scheduled Board meetings.

- No Hedging or Pledging of Company Stock: In June 2014, the Board amended the Company's stock trading policy to prohibit the "hedging" of Company stock and other short-term or speculative transactions by directors and officers. The revised policy also generally prohibits the pledging of Company stock by directors and officers or holding Company stock in a margin account, unless approved in advance by the compliance officer designated under the policy.

- Stock Ownership Requirements: The Board believes that all directors should be shareholders of the Company, and should, within five years of joining the Board, accumulate share holdings of at least five times the amount of the annualized cash retainer (excluding committee retainers) paid or payable to non-Board Chair directors, and should employ reasonable, good faith efforts thereafter to maintain share holdings of at least that amount (the applicable annual cash retainer for the 2018 fiscal year, excluding committee fees, was $80,000). If, after this amount is achieved, there is a change in the price of Company stock which results in a drop below the requirement, the requirement shall remain satisfied. For this purpose, restricted stock and unvested restricted stock unit awards may be counted towards the ownership requirement, however stock options shall not satisfy the requirement.

The Board has also approved stock ownership requirements for the CEO, executive officers and other Company officers, under which they are required to acquire and maintain direct ownership of shares equal to a multiple of their base salary, as follows: CEO, 4x base salary; Senior Vice Presidents, 3x base salary; and, Vice Presidents, 2x base salary. For this purpose, restricted stock and unvested restricted stock unit awards may be counted towards the ownership requirement, however stock options shall not satisfy the requirement. Vested shares held in the 401K Plan may be counted toward the ownership requirement. The ownership requirement is measured as of the last business day of each fiscal year, taking into account the fair market value of shares of Common Stock and the base salary as of that date.

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Officers are required to achieve the applicable ownership requirement within five years of the date of their promotion to the position that is subject to the ownership requirement.

- Over-Boarding Limits: Directors may not serve on more than two other public company boards. In addition, service on the boards of not-for-profit organizations or other entities that may require a similar time commitment must be disclosed and be acceptable to the Board.

- Board Chair; Lead Director: As noted, Mr. Horak was elected as the independent Board Chair in March 2018. However, the Board has no fixed policy with respect to the combination of the positions of Board Chair and CEO, as the Board believes that it is in the best interests of the Company and its shareholders for the Board to assess the Board leadership structure in light of the circumstances then existing. If, in the future, the Board Chair is not an independent director, the independent directors will designate a Lead Director. The Lead Director will be selected from the independent directors, and will: preside at all meetings of the Board at which the Board Chair is not present, including the executive sessions of the independent directors; establish agendas for the executive sessions of the independent directors in consultation with the other directors; serve as liaison between the independent directors and the Board Chair (although all independent directors are encouraged to communicate directly with the Board Chair, CEO and other members of senior management at any time); review, at his or her discretion, information to be sent to the Board; review and discuss proposed Board meeting agendas with the Board Chair; have the authority to call meetings of the independent directors, as appropriate; be available, as deemed appropriate by the Board, for consultation and direct communication with shareholders; and, perform such other duties and have such other authority as the Board may specify from time to time.

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THE BOARD OF DIRECTORS AND ITS COMMITTEES

Members of the Board are kept informed of the Company's business through discussions with the CEO, the Company's senior management and other key employees, by reviewing materials provided to them, and by participating in Board and committee meetings. Between meetings, directors are provided with information regarding the Company's operations and are frequently consulted on an informal basis with respect to pending matters.

Directors are expected to attend all Board meetings, meetings of the committees on which they serve and each annual shareholders' meeting. The Board held thirteen meetings during the 2018 fiscal year. Each incumbent director attended 75% or more of the aggregate number of Board meetings and meetings of committees on which the director served, and all of the incumbent members of the Board attended last year's annual meeting of shareholders, other than Mr. Frieson, Mr. Lenhardt, Ms. Schmeling and Ms. Wing, who were elected in March 2018, six months after the annual meeting.

Director Independence

In making independence determinations, the Board observes the criteria for independence set forth in the Nasdaq Listing Standards. Consistent with these criteria, the Board considers all relationships and material transactions between the Company and the director-nominees (and any affiliated companies), and has affirmatively determined that all of its current directors, other than Mr. Handley (as the CEO), are "independent" within the meaning of the Nasdaq Listing Standards. As such, a substantial majority of the Board is independent, as so defined.

In reaching this conclusion, the Board considered that both Mr. Horak and Ms. Heiden held executive leadership positions within the Wells Fargo organization during their careers, and concluded that each of them bring distinct and valuable skills to the Board, and that their prior employment experiences would not interfere with their exercise of independent judgment in carrying out their responsibilities as directors.

Board Committees

The Bylaws establish four standing committees of the Board:

- Executive Committee
- Audit Committee
- Compensation Committee
- Nominating and Corporate Governance Committee

In addition, the Bylaws authorize the Board to establish other committees for selected purposes, pursuant to which the Risk Committee has been established. Certain details of the Board's committees are set forth below.

Executive Committee

- Membership: The Executive Committee presently consists of Mr. Horak (Chair), Mr. Handley, Ms. Bridgewater, Ms. Heiden and Ms. Renda.

- Duties: The Executive Committee is authorized, within certain limitations set forth in the Bylaws, to exercise the power and authority of the Board between meetings of the full Board.

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- Meetings and Attendance: The Executive Committee met five times during the 2018 fiscal year.

Audit Committee

The report of the Audit Committee is included on page 72.

- Membership: The Audit Committee presently consists of Ms. Heiden (Chair), Ms. Bridgewater, Mr. Lenhardt and Ms. Schmeling, each of whom is independent. The Board has approved the designation of Ms. Bridgewater as an “audit committee financial expert” as defined under Item 407(d)(5) of SEC Regulation S-K.

- Duties: The Audit Committee is directly responsible for the appointment, termination, compensation and oversight of the independent registered public accounting firm it retains to audit the Company’s books and records. Under its written Charter, which is available on the Company’s website (www.caseys.com), the Audit Committee also regularly reports to the Board on the audit and the non-audit activities of the auditors, approves all audit engagement fees, pre-approves any non-audit engagement and compensation of the independent registered public accounting firm and performs other duties at set forth in its Charter.

- Meetings and Attendance: The Audit Committee meets regularly (typically five times) each year with financial management personnel, internal accounting and auditing staff and the independent registered public accounting firm. During these meetings, the Audit Committee also meets separately in executive sessions with the internal auditing staff and the independent registered public accounting firm. The Audit Committee met six times during the 2018 fiscal year, one of which was a joint meeting with the Risk Committee.

Compensation Committee

The report of the Compensation Committee is included on page 47.

- Membership: The Compensation Committee presently consists of Ms. Renda (Chair), Mr. Lenhardt and Ms. Wing, each of whom is independent.

- Duties: The Compensation Committee oversees our executive compensation program.

The Compensation Committee annually reviews the performance of the CEO and reviews the CEO's evaluation of the performance of the Company’s other executive officers and senior management team and their compensation arrangements, and makes recommendations to the Board concerning the compensation of the CEO and the Company’s other executive officers, including in respect of base salary, bonus, incentive and equity compensation. The Compensation Committee’s determination, and its deliberations, of the CEO’s compensation are done in executive session, without the presence of management, including the CEO. The CEO may make recommendations regarding the compensation of executive officers and participate in such deliberations but shall not vote to approve any form of compensation for such executive officers. The Compensation Committee also administers the 2009 Stock Incentive Plan, which was approved by the shareholders at the 2009 annual shareholders’ meeting, and authorizes awards of stock options, restricted stock units, performance-based restricted stock units and restricted stock to the executive officers and other key employees under that Plan. The Compensation Committee recommended that the Board approve, and the Board did approve, the 2018 Stock Incentive Plan, which is intended to replace the 2009 Stock Incentive Plan. The terms of the 2018 Stock Incentive Plan are generally consistent with the terms of the 2009 Stock Incentive Plan, however, upon the Compensation Committee’s recommendation, the Board determined to make certain changes in order to be

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consistent with best practices. For more information on the proposed 2018 Stock Incentive Plan, see “Proposal 4” on page 76. The Compensation Committee also makes annual recommendations to the Board regarding the compensation of directors.

As set forth in its written Charter, available on the Company’s website (www.caseys.com), the Compensation Committee has authority to retain and terminate executive compensation consulting firms to advise the Compensation Committee and, from time to time, retain compensation consultants to assist with the Compensation Committee’s review and development of its compensation recommendations. As discussed further in the section named “Compensation Discussion and Analysis” on page 27 and in the section named “Director Compensation” on page 67, the Compensation Committee retained Willis Towers Watson, an independent compensation consulting firm, to provide consulting services in respect of the executive compensation and director program for the 2018 fiscal year and intends to continue to retain Willis Towers Watson for the 2019 fiscal year.

Prior to March 2018, the Company had a separate Succession Planning Committee. However, on March 7, 2018, its functions were combined with those of the Compensation Committee (thereby eliminating the separate Succession Planning Committee). These functions generally include reviewing succession planning for the CEO and other executive officer positions, and to making recommendations to the Board with respect to such matters.

- Meetings and Attendance: The Compensation Committee met nine times during the 2018 fiscal year.

Nominating and Corporate Governance Committee

- Membership: The Nominating and Corporate Governance Committee presently consists of Ms. Bridgewater (Chair), Mr. Frieson and Ms. Schmeling, each of whom is independent.

- Duties: The Nominating and Corporate Governance Committee generally reviews and makes recommendations to the Board regarding the Board’s composition and structure, establishes criteria for Board membership and evaluates corporate policies relating to the recruitment of Board members, recommends to the Board the corporate governance policies or guidelines applicable to the Company, leads the Board in a periodic review of the Board’s performance, and performs other duties set forth in its written Charter, available on the Company’s website (www.caseys.com).

The Charter sets forth, among other things, the minimum qualifications that the Nominating and Corporate Governance Committee believes must be met by a Committee-recommended nominee, and the specific qualities or skills that the Nominating and Corporate Governance Committee believes are necessary for one or more of the Company’s directors to possess. In considering individuals for nomination as directors, the Nominating and Corporate Governance Committee typically solicits recommendations from the current directors and is authorized to engage search firms to assist in the process. In the 2018 fiscal year, the Nominating and Corporate Governance Committee engaged Korn Ferry to assist in the search process that led to the elections of Mr. Frieson, Mr. Lenhardt, Ms. Schmeling and Ms. Wing in March 2018.

The Nominating and Corporate Governance Committee considers a number of factors in making its nominee recommendations to the Board, including, among other things, a candidate’s employment and other professional experience, past expertise and involvement in areas which are relevant to the Company’s business, business ethics and professional reputation, independence, other board experience and the Company’s desire to have a Board

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that represents a diverse mix of backgrounds, perspectives and expertise. Although the Board evaluates a wide range of qualifications and experience, certain areas are of particular relevance to the Company, including the areas of senior business operations leadership; consumer products and retail; real estate, development and construction; digital marketing, e-commerce, marketing and brand management; supply chain, logistics and distribution; capital markets, investment banking, asset management and investor relations; M&A; information technology and security; public policy and governmental affairs; regulatory compliance and legal; finance, accounting and financial report; and, risk management.

The Company does not have a formal policy for considering diversity in identifying and recommending nominees for election to the Board, but the Nominating and Corporate Governance Committee considers diversity of viewpoint, experience, background and other qualities in its overall consideration of nominees qualified for election to the Board. The Nominating and Corporate Governance Committee will consider nominees recommended by shareholders if they are submitted in accordance with the Bylaws. Briefly, the Bylaws contain specific advance notice procedures relating to shareholder nominations of directors and other business to be brought before an annual or special meeting of shareholders other than by or at the direction of the Board.

Under the Bylaws, a shareholder may nominate a director candidate for election at an annual shareholders' meeting by (i) complying with the Company's proxy access provision, as further described above under the heading "2018 Fiscal Year Governance Enhancements" on page 13, and as set forth in its Bylaws, or (ii) delivering written notice thereof to the Corporate Secretary not less than 90 days, nor more than 120 days, prior to the first anniversary date of the date of the immediately preceding annual shareholders' meeting. In the case of shareholder nominations to be considered at the 2019 annual meeting under method (ii) of this paragraph, such notice must be received by the Corporate Secretary by no earlier than May 8, 2018 and no later than June 7, 2018. In addition, the notice must set forth certain information concerning such shareholder and the shareholder's nominee(s), including but not limited to their names and addresses, occupation, share ownership, rights to acquire shares and other derivative securities or short interests held, a representation that the shareholder is entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, a description of all arrangements or understandings between the shareholder and each nominee, such other information as would be required to be included in a proxy statement pursuant to the proxy rules of the SEC had the nominee(s) been nominated by the Board, and the consent of each nominee to serve as a director of the Company if so elected. The chair of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the provisions of the Bylaws. A copy of the Bylaws may be obtained by request addressed to Julia L. Jackowski, Senior Vice President--Corporate General Counsel and Secretary, Casey's General Stores, Inc., P.O. Box 3001, One SE Convenience Blvd., Ankeny, Iowa 50021-8045.

- Meetings and Attendance: The Nominating and Corporate Governance Committee met twelve times during the 2018 fiscal year.

Risk Committee

- Membership: The Risk Committee presently consists of Ms. Renda (Chair), Mr. Frieson, Ms. Heiden and Ms. Wing, each of whom is independent.

- Duties: The Risk Committee generally assists the Board in overseeing management's identification and evaluation of the Company's principal operational and business risks, including the Company's risk management framework and the policies, procedures and

practices employed to manage those risks and other duties set forth in its written Charter, available on the Company's website (www.caseys.com).

- Meetings and Attendance: The Risk Committee met four times during the 2018 fiscal year, one of which was a joint meeting with the Audit Committee. The joint meetings with the Audit Committee are intended to facilitate discussion of areas of common interest and significant matters, including but not limited to the Company's risk assessment and risk management policies and any major regulatory enforcement actions or litigation.

The Board's Role in Risk Oversight

Risk assessment and risk management are the responsibility of the CEO and the Company's management. The Board retains oversight responsibility over the Company's key strategic risks, information security risks and regulatory compliance risks. The Board meets regularly with the executive officers to discuss strategy and risks facing the Company, and each quarter receives presentations from the executive officers and other key employees on business operations, financial results and strategic issues, including the identification, assessment and management of critical risks and management's risk mitigation strategies. In addition, the Board and executive officers hold an annual strategic planning retreat to discuss strategies, key challenges and risks and opportunities for the Company. An enterprise risk manager reports to the Corporate General Counsel and leads a working group comprised of senior management and other key employees to provide recommendations to the CEO for further action, with periodic progress reports on the same being provided to the Risk Committee and the Board. Areas of focus include, but are not limited to, cybersecurity, competitive, economic, operational, financial, personnel, legal, regulatory, compliance, health, safety and environment, political and reputational risks.

The Board committees also provide assistance to the Board in fulfilling its oversight responsibilities in certain areas of risk. The Risk Committee's responsibility is to provide oversight and to engage management and the Board with regard to the Company's principal operating and business risks. The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to financial reporting, internal controls, and financial risks. The Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks arising from the Company's compensation policies and practices, including overseeing the development of stock ownership guidelines, the annual incentive compensation program and clawback policies. The Nominating and Corporate Governance Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with Board and committee membership, structure and the monitoring of corporate governance issues, and the development of recommendations to address evolving best practices in those areas. All of these committees report back to the full Board as to each committee's activities and matters discussed and reviewed at the committee meetings. In addition, all directors are encouraged to participate in external director education courses to keep apprised of current issues, including evolving areas of risk.

Shareholder Communications

It is the general policy of the Board that management speaks for the Company. To the extent shareholders would like to communicate with a Company representative, they may do so by contacting William J. Walljasper, Senior Vice President and Chief Financial Officer, Casey's General Stores, Inc., P.O. Box 3001, One SE Convenience Blvd., Ankeny, Iowa 50021-8045. Mr. Walljasper also can be reached by telephone at (515) 965-6505.

Any shareholder wishing to communicate with one or more Board members should address a written communication to H. Lynn Horak, Board Chair, 504 Grand Oaks Drive, West Des Moines,

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Iowa 50265, or, to Terry W. Handley, President and CEO, P.O. Box 3001, One SE Convenience Blvd., Ankeny, Iowa 50021-8045. Mr. Horak or Mr. Handley, as applicable, will forward such communication on to all of the members of the Board, to the extent such communications are deemed appropriate for consideration by the Board.

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EXECUTIVE OFFICERS

The Company currently has seven executive officers and ten other Vice Presidents. The current executive officers are as follows:

Name	Current Office Held	First Became Executive Officer	Age
Terry W. Handley	President and Chief Executive Officer	2002	58
William J. Walljasper	Senior Vice President and Chief Financial Officer	2004	54
Julia L. Jackowski	Senior Vice President--Corporate General Counsel and Secretary	2010	52
John C. Soupene	Senior Vice President--Operations	2015	49
Brian J. Johnson	Senior Vice President--Store Development	2016	42
Cindi W. Summers	Senior Vice President--Human Resources	2016	47
Chris L. Jones	Senior Vice President--Chief Marketing Officer	2018	49

During the past five years, certain executive officers have served the Company in other executive or administrative positions, as follows:

- Mr. Handley served as President and Chief Operating Officer from June 6, 2014 through April 30, 2016, when he assumed his current role. Previously, he was Chief Operating Officer since June 20, 2006.

- Ms. Jackowski served as Senior Vice President--General Counsel & Human Resources from June 6, 2010 through June 30, 2016, when she assumed her current role. Previously, she was Vice President--Human Resources.

- Mr. Soupene served as Director of Store Operations from May 1, 2013 through June 8, 2015, and Senior Vice President of Store Operations until July 1, 2016, when he assumed his current role.

- Mr. Johnson served as Vice President--Finance and Corporate Secretary from May 1, 2009 through March 6, 2016, and as Senior Vice President, Finance and Corporate Secretary from March 7, 2016 through June 30, 2016, when he assumed his current role.

- Ms. Summers served as Vice President--Human Resources from June 10, 2013 through March 6, 2016, when she assumed her current role. Previously, she was Director of Human Resources since April 16, 2010.

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PRINCIPAL SHAREHOLDERS

The following table contains information with respect to each person, including any group, known to the Company to be the beneficial owner of more than 5% of the Common Stock as of [•], 2018 (based on [•] shares of Common Stock outstanding as of such date). Except as otherwise indicated, the persons listed in the table have the voting and investment powers with respect to the shares indicated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership		Percent of Class
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	4,542,489	(1)	[•]%
The Vanguard Group--23-1945930 100 Vanguard Blvd. Malvern, PA 19355	3,488,378	(2)	[•]%
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	3,040,565	(3)	[•]%

(1) Based on Schedule 13G/A (Amendment No.1) filed by T. Rowe Price Associates, Inc. (“T. Rowe Price”) with the SEC dated February 14, 2018. Such information indicates that T. Rowe Price has sole voting power over 1,340,888 shares and sole dispositive power over 4,542,489 shares.

(2) Based on Schedule 13G/A (Amendment No. 7) filed by The Vanguard Group--23-1945930 (“Vanguard”) with the SEC dated February 8, 2018. Such information indicates that Vanguard and two wholly owned subsidiaries of Vanguard have sole voting power over 20,259 shares, sole dispositive power over 3,466,293 shares, shared dispositive power over 22,085 shares, and shared voting power over 4,760 shares.

(3) Based on Schedule 13G/A (Amendment No. 8) filed by BlackRock, Inc. ("BlackRock") with the SEC dated January 29, 2018. Such information indicates that BlackRock and its subsidiaries have sole voting power over 2,887,416 shares and sole dispositive power over 3,040,565 shares.

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BENEFICIAL OWNERSHIP OF SHARES OF COMMON STOCK
BY DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as of [•], 2018, the beneficial ownership of shares of Common Stock, the only class of capital stock outstanding, by the current directors (including the Board's nominees for election to the Board of Directors), the executive officers named in the Summary Compensation Table, and all current directors, director-nominees, and executive officers as a group (based on [•] shares of Common Stock outstanding as of such date). Except as otherwise indicated, the shareholders listed in the table have sole voting and investment powers with respect to the shares indicated.

Name of Beneficial Owner	Direct Ownership	Shares Subject to Options(1)	401K Plan Shares(2)	Total Amount and Nature of Beneficial Ownership(3)	Percent of Class
H. Lynn Horak (4)	15,683	—	—	15,683	*
Diane C. Bridgewater	14,324	—	—	14,324	*
Donald E. Frieson	—	—	—	—	*
Cara K. Heiden (5)	5,043	—	—	5,043	*
David K. Lenhardt	2,300	—	—	2,300	*
Larree M. Renda	9,347	—	—	9,347	*
Judy A. Schmeling	—	—	—	—	*
Allison M. Wing	—	—	—	—	*
Terry W. Handley	31,945	16,106	11,870	59,921	*
William J. Walljasper	22,465	34,300	4,493	61,258	*
Julia L. Jackowski	22,977	32,500	4,380	59,857	*
John C. Soupene	2,472		774	3,246	*
Cindi W. Summers	4,748	—	1,241	5,989	*
All executive officers, directors and director-nominees as a group (15 persons)	140,925	99,406	24,938	265,269	*

*Less than 1%

(1) Consisting of shares that are subject to acquisition within 60 days of [•], 2018 through the exercise of stock options, but which cannot be presently voted by the executive officers.

(2) Under the trust agreement creating the 401K Plan, the shares of Common Stock held by the Trustee are voted by the Trustee in accordance with the participants' directions or, if no directions are received, in the same manner and proportion as the Trustee votes shares for which the Trustee does receive timely instructions.

(3) Except as otherwise indicated, the amounts shown are the aggregate numbers of shares attributable to the individual's direct ownership of shares, shares subject to the exercise of options within 60 days of [•], 2018, and 401K Plan shares.

(4) Includes 200 shares held by Mr. Horak in a separately managed Individual Retirement Account.

(5) Includes 4,000 shares owned jointly by Ms. Heiden and her spouse, under shared voting and dispositive power.

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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's officers, directors and owners of more than 10% of the outstanding Common Stock to file reports of ownership and changes in ownership with the SEC, and also to furnish the Company with a copy of all such reports that they file. Based solely upon a review of the copies of the reports furnished to the Company, the Company believes all such reporting persons complied with such reporting obligations during the 2018 fiscal year, with the exception of one Form 4 filed one business day late by Mr. Danos, a former director of the Company, due to a delay in receiving sale details from the broker.

COMPENSATION DISCUSSION AND ANALYSIS

The focus of this discussion and analysis is on the Company's compensation philosophies and programs for its named executive officers ("NEOs") for the 2018 fiscal year:

- Terry W. Handley, President and Chief Executive Officer
- William J. Walljasper, Senior Vice President and Chief Financial Officer
- Julia L. Jackowski, Senior Vice President--Corporate General Counsel and Secretary
- John C. Soupene, Senior Vice President--Operations
- Cindi W. Summers, Senior Vice President--Human Resources

In this section, the word "Committee" refers to the Compensation Committee of the Board.

2018 Fiscal Year Executive Compensation Highlights

As discussed below, in respect of the 2018 fiscal year:

- At the September 2017 annual shareholders' meeting, the Company's NEO compensation received approval of over 96% of the votes cast.

- In order to further our commitment to best practices in corporate governance, the Committee directly engaged Willis Towers Watson ("WTW"), an independent compensation consulting firm, to assist with various compensation analyses, as well as to provide consulting on executive compensation practices and determinations, including in respect of our annual and long-term incentive compensation programs.

- In order to strengthen the link between executive pay and our long-term financial performance, for the first time, we utilized long-term incentive awards subject to performance-based vesting conditions in the form of performance-based restricted stock units ("PSUs"). The long-term incentive compensation program transitioned from exclusively time-based restricted stock units ("RSUs") to 75% PSUs. The PSUs are subject to a three-year performance period, utilize metrics of the Company's return on invested capital and total shareholder return, and result in zero payout if the applicable performance goals are not achieved.

- In order to reflect the performance of the Company's key business segments, the Company incorporated into its annual incentive compensation program the metrics of same-store sales growth and gross profit margin in the "inside sales" and "fuel" categories. The Company also established a "circuit breaker" under which a minimum level of diluted earnings per share ("EPS") is required before any bonus under the annual incentive program may be earned.

- Prior to the 2018 fiscal year, we applied a more uniform approach to NEO compensation pursuant to which all NEOs generally were eligible for the same target annual bonus percentage and received an annual equity grant of the same number of time-based RSUs. Based on analysis of market practices performed by WTW and a desire to better align our executive compensation program with our short-term and long-term objectives, in the 2018 fiscal year, we moved toward greater pay differentiation among our NEOs and other employees in their target annual and long-term incentive opportunities.

- Our NEOs did not earn annual bonuses under the Company's annual incentive compensation program for the 2018 fiscal year because of failure to achieve the

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minimum diluted EPS performance goal (the "circuit breaker"), despite achieving results in the fuel and inside sales metrics that were sufficient to justify payout.

- In recognition of the challenges that the Company faced in the 2018 fiscal year, the Committee determined that none of our NEOs would receive an increase in compensation for the 2019 fiscal year.

Significant 2018 Fiscal Year Governance Updates

As discussed further above in the section named “Governance of the Company--2018 Fiscal Year Governance Enhancements” on page 13, the Company implemented the following enhancements to our governance practices:

- Independent board chair and elimination of the Company’s prior practice of a combined CEO and Board Chair role.
- Proxy access provisions that allow eligible shareholders to nominate directors.
- Meaningful age and tenure limits for individual directors.
- Majority voting standard in uncontested director elections, subject to our shareholders’ approval (see “Proposal 5” on page 89).
- Phased Board declassification over a period of three years such that by the 2021 annual shareholders’ meeting, all director nominees will stand for annual election.

Overview of Executive Compensation Program

Corporate Governance Best Practices

Our executive compensation practices support good governance and discourage excessive risk-taking. The Committee evaluates our executive compensation program on an ongoing basis to ensure that it is consistent with our short-term and long-term goals. The following is a checklist of our policies and practices:

What We Do	What We Don't Do
ü Pay for performance: A significant portion of NEO compensation is tied to the Company’s financial performance and the performance of the Company’s stock price.	ý No guaranteed bonuses: We do not provide guaranteed annual bonuses to any of our NEOs. Other than base salaries, none of our NEOs’ compensation for the 2018 fiscal year was guaranteed.
ü Balance between short-term and long-term incentives: An appropriate balance discourages short-term risk taking at the expense of long-term results. RSUs and PSUs vest three years after grant date based on the achievement of service-based and, in the case of PSUs, performance-based goals.	ý No excessive benefits or perquisites: The Company does not maintain enhanced health benefits for its executives and does not permit excessive perquisites.

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ü Multiple performance metrics: Both the annual incentive and the long-term incentive programs use multiple performance metrics. This approach discourages excessive risk-taking by removing any incentive to focus on a single performance goal to the detriment of the Company.

ü Engagement of independent advisor: The Committee directly retains an independent compensation consultant to advise on the executive compensation program and practices.

ü Clawback policy: This policy permits the Company to recoup certain compensation payments or equity awards in the event of a substantial or material restatement of the Company's financial statements.

ü Double-trigger protection: The Company maintains change of control severance agreements with each officer that provide for severance benefits following a change in control only in the event that such officer is terminated without cause or resigns for good reason. The proposed 2018 Stock Incentive Plan provides for similar double-trigger protection in the event of a change in control.

ü Share ownership requirements: Meaningful requirements are in place for senior executives based on multiples of each executive's base salary.

ý No tax gross-ups: No tax gross-ups are paid to cover personal income taxes or excise taxes that pertain to executive or severance benefits.

ý No re-pricing of stock options: Underwater stock options may not be repriced without shareholder approval. Additionally, stock options may only be granted at 100% of fair market value.

ý No hedging or pledging of Company stock: The Company prohibits the hedging of Company stock and other short-term or speculative transactions as well as the pledging of Company stock.

ý No payment of dividends on equity awards: Equity-based awards do not accrue or pay dividends.

Compensation Objectives

Our fundamental and overriding objective is to create value for our shareholders at leadership levels on a consistent and long-term basis. To accomplish this goal, the Board and the Committee have designed an executive compensation program that:

- Attracts, motivates and retains executives who will contribute to the long-term success of the Company through competitive pay practices.

- Emphasizes pay for performance by linking Company performance with actual compensation realized and rewarding executives for achieving both short-term and long-term strategic goals.

- Focuses on long-term success and alignment with our shareholders by including performance-based equity as a substantial component of total potential compensation.

The Board's goal is to approve compensation that is reasonable and competitive when all elements of potential compensation are considered.

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Process for Determining Executive Compensation

The Committee and the Board

Our Committee oversees our executive compensation program. Specifically, the Committee is charged with recommending base salary increases and the terms of the annual incentive program for our NEOs for the Board's consideration, determining the terms of the long-term incentive compensation program and approving grants of equity-based awards.

The Committee determined that it would be in the best interests of our shareholders to make significant changes to our executive compensation program in the 2018 fiscal year to better align our compensation program with performance metrics that are key indicators of our success over both short-term and long-term periods and to ensure our program is competitive and in line with market practice. To that end, the Committee convened nine times during the 2018 fiscal year and, as discussed below, directly engaged WTW to advise on our executive compensation program.

The Committee uses competitive market data, performance results, input from WTW and its judgment when setting executive compensation levels and designing executive reward programs. The Committee weighs the level of shareholder support for the compensation program, as demonstrated by the Say-on-Pay vote.

The Board is responsible for approving base salary increases for our NEOs and approving the performance goals under our annual incentive compensation program, which are first reviewed and recommended by the Committee, as noted above. The Board also approves the operating plan that our management team prepares in advance of each fiscal year. The operating plan contains strategic business goals and objectives, which inform the performance goals utilized under the annual incentive and long-term incentive programs.

The Compensation Consultant

The Committee has the authority under its Charter to engage the services of outside advisors to assist the Committee in its review, development and evaluation of executive compensation, equity compensation plans and other matters within the responsibility of the Committee. In recognition that the 2018 fiscal year would be a time of transition for our executive compensation program, the Committee determined that it would be in the best interest of our shareholders and the long-term success of the Company to directly engage WTW to assist the Committee with various compensation analyses and to provide consulting services.

WTW's services in respect of the 2018 fiscal year included the following:

- Competitive compensation analysis as to each component of the Company's executive compensation program with respect to each senior executive, including our NEOs.
- Analyses of the structure and components of the Company's annual incentive and long-term incentive programs.
- Development of an initial 29-company performance peer group, which was used to determine the goals for the Company's relative total share return ("TSR") performance under the long-term incentive program (as described below).
- Design of the director compensation program, as described in the section named "Director Compensation--Significant 2018 Fiscal Year Director Compensation Charges" on page 67.

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- Design of the 2018 Stock Incentive Plan, as described in “Proposal 4” on page 76.

- Attendance at Committee meetings, when necessary.

The Committee assessed the independence of WTW and did not identify any conflict of interest that would prevent WTW from independently advising the Committee.

The Committee has used, and intends to continue to use, WTW in the 2019 fiscal year.

The Role of Management

In periodic meetings with the Committee, the CEO provides his views as to the individual performance of the other executive officers. The Committee solicits his recommendations with respect to the other NEOs’ compensation, including in respect of base salary increases. However, the CEO’s own compensation is determined by the Committee and the Board.

The CEO is assisted in his evaluations by the Senior Vice President of Human Resources, who provides the CEO with information to support his determinations as to each executive officer’s performance.

The Chief Financial Officer is integrally involved with setting the Company’s strategic financial goals for each fiscal year, which inform the performance goals utilized under the annual incentive and long-term incentive programs.

Use of Peer Groups

In consultation with WTW, the Committee formulated a performance peer group comprised of 29 companies that was used to establish the relative TSR goal in respect of the long-term incentive plan for the 2018 fiscal year (the “Performance Peer Group”).

The Performance Peer Group consists of companies that generally meet the following criteria:

- Similar business, products and/or marketing mix or industry focus, including:

  - Companies operating gas and convenience stores or gas companies with a significant presence in retail distribution through the convenience store model (i.e., direct industry comparisons).

  - Companies that reflect a similar business model in the food distribution or retail food business segments with an emphasis on customer service (i.e., indirect industry comparisons).

- Revenue ranges between approximately 50% to 250% of the Company’s revenue (i.e., $3.2 billion to $15.8 billion).

- Availability of compensation and financial performance data (i.e., publicly traded companies).

Based on this criteria, the Performance Peer Group used in respect of the relative TSR performance metric under the 2018 fiscal year long-term incentive awards consisted of the 29 companies listed below:

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Alon USA Energy, Inc.	Delek US Holdings, Inc.	O’Reilly Automotive, Inc.	Sunoco LP	United Natural Foods, Inc.
Big Lots, Inc.	Dollar General Corporation	Papa John’s International, Inc.	SUPERVALU Inc.	Weis Markets, Inc.
Brinker International, Inc.	Dollar Tree, Inc.	Pinnacle Foods, Inc.	The Andersons, Inc.	Western Refining, Inc.
Core-Mark Holding Company, Inc.	Domino’s Pizza, Inc.	Smart & Final Stores, Inc.	The Kroger Co.	Whole Foods Market, Inc.
Cracker Barrel Old Country Store, Inc.	Ingles Markets, Inc.	SpartanNash Company	Tractor Supply Company	Yum! Brands, Inc.
CST Brands, Inc.	Murphy USA, Inc.	Sprouts Farmers Market, Inc.	TravelCenters of America LLC	

In respect of the PSUs subject to relative TSR vesting conditions, extraordinary corporate events affecting members of the Performance Peer Group during the relevant performance period, such as mergers, spinoffs, bankruptcy, and other events, will be considered. For example, a member of the Performance Peer Group that is no longer publicly traded as of the end of the relevant performance period will be excluded when determining the final percentile rank at the end of such performance period. The Committee has removed the following four companies from the Performance Peer Group due to extraordinary corporate events affecting each company: Alon USA Energy, Inc., CST Brands, Inc., Western Refining, Inc. and Whole Foods Market, Inc.

In addition to the Performance Peer Group, in consultation with WTW, the Company formulated a compensation peer group (the "Compensation Peer Group"), which is a subset of the Performance Peer Group, and is used as a reference for compensation decisions. The Compensation Peer Group consists of companies with a compensation program with elements that are similar to the Company's program and with whom the Company competes for talent. For the 2018 fiscal year, the Compensation Peer Group included all member of the Performance Peer Group other than Core-Mark Holding Company, Inc., Dollar General Corporation, Dollar Tree, Inc., Domino’s Pizza, Inc., Papa John’s International, Inc., and The Kroger Co.

The Committee intends to formally re-evaluate the peer groups every two years and update the composition as needed. Changes to the peer groups will be carefully considered and made infrequently to assure continuity from year to year.

Competitive Compensation Analysis

For the 2018 fiscal year, the Company began to move toward greater pay differentiation and a market-based approach for determining total compensation for executives. The Committee, in consultation with WTW, determined that closer alignment with market competitive practices will allow for more flexibility and aid in attracting and retaining talent.

To that end, WTW analyzed data with respect to the Compensation Peer Group and survey data in order to create competitive market ranges (i.e., 25th, 50th and 75th percentile) in respect of the design features and value of each element of our executive compensation program. The survey data was derived from WTW’s own internal databases comprised of a larger pool of peer companies, based on the criteria described above.

The competitive compensation analyses that WTW provided relate to the following elements of compensation for each executive officer:

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- Base salary.
- Target annual incentive opportunity.
- Target long-term incentive opportunity.
- Total target direct compensation (the sum of the foregoing components).

The Committee reviewed the competitive compensation analyses provided by WTW in order to assess the design of our annual and long-term incentive programs and the competitiveness of the total compensation offered to the Company's executives.

While the Committee relies on such data to inform its determinations with respect to each element of compensation, it does not consider such data sufficient for a full evaluation of appropriate compensation for any individual executive officer. Accordingly, the Committee has not set a "benchmark" to such data for any executive officer, although it does consider where the Company's total executive compensation program falls in the spectrum of competitive compensation data. The Committee considers several other factors when setting compensation, including the executive officer's individual performance, in consultation with the CEO.

The Committee has used, and intends to continue to use, competitive compensation analysis in the 2019 fiscal year.

Components of the Compensation Program

Our compensation program for the 2018 fiscal year had four primary components:

1. Base Salary	2. Annual Incentive Compensation Program	3. Long-Term Incentive Program	4. Benefits and Perquisites
Attracts and retains executives by providing a baseline of compensation commensurate with role, tenure and long-term individual performance.	Rewards company-wide achievements.	Attracts and retains key contributors with a focus on long-term achievement and actual company performance.	Provides competitive benefits without awarding excessive executive perquisites.

A significant portion of each NEO's compensation is placed at risk, with the only fixed compensation being base salary and benefits. The remaining compensation (through the annual and long-term incentive compensation programs) is not guaranteed, and the value is based on the Company's performance.

Beginning in the 2018 fiscal year, the Committee, in consultation with WTW, introduced increased pay differentiation among our NEOs in respect of their base salaries and target annual and long-term incentive opportunities. This approach illustrates the distinct steps between CEO, Senior Vice President and Vice President levels and reflects the varying degrees of responsibility and strategic leadership impact on the Company that individuals at each level carry.

The following table illustrates each NEO's combination of compensation opportunities in respect of fiscal year 2018:

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Executive	Position	Target Annual Incentive Compensation as Percentage of Salary	Target Long-Term Incentive Compensation as Percentage of Salary
Terry W. Handley	President and Chief Executive Officer	100%	150%
William J. Walljasper	Senior Vice President and Chief Financial Officer	70%	125%
Julia L. Jackowski	Senior Vice President--Corporate General Counsel and Secretary	65%	110%
John C. Soupene	Senior Vice President--Operations	70%	125%
Cindi W. Summers	Senior Vice President--Human Resources	65%	110%

We believe that this mix of compensation appropriately balances short-term and long-term business goals and aligns the interests of our NEOs with our shareholders.

1. Base Salary

The Company pays its executive officers competitive base salaries as one part of a total compensation program to attract and retain talent, but does not use base salary increases as the primary means of recognizing talent and performance.

Base salaries for the NEOs are determined primarily on the basis of experience, performance, individual responsibilities and impact on the Company. Each fiscal year, our CEO reviews the base salaries of all officers, including our NEOs (other than himself), in connection with their performance reviews. The CEO is assisted in his review of each officer’s performance and base salary by the Senior Vice President of Human Resources.

Beginning in the 2018 fiscal year, the Committee also relied on data provided by WTW with respect to the Compensation Peer Group in order to determine our NEOs’ base salaries, as noted above. The CEO’s evaluations of individual performance and the importance of each NEO’s role have been key in differentiating between executives and applying the competitive compensation analyses. As noted above, the Board determines the CEO’s compensation, including base salary, based on the Committee’s recommendation.

Based on each officer’s performance review and the CEO’s review of each officer’s base salary information and the competitive compensation analyses, our CEO develops recommendations for the individual base salaries for all of the senior officers, including our NEOs (other than himself). The CEO provides his recommendations to the Committee. The Committee considers those recommendations and recommends the new base salaries to the Board for approval in June of each fiscal year.

As illustrated in the table below, salary changes for the 2018 fiscal year included: Mr. Handley, $25,000 increase; Mr. Walljasper, $15,000 increase; Ms. Jackowski, $12,500 increase; Mr. Soupene, $15,000 increase; and, Ms. Summers, $10,000 increase:

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Executive	2017 Fiscal Year Base Salary	2018 Fiscal Year Base Salary	Percentage Increase from 2017 Fiscal Year to 2018 Fiscal Year
Terry W. Handley	$900,000	$925,000	2.8%
William J. Walljasper	$580,000	$595,000	2.6%
Julia L. Jackowski	$580,000	$592,500	2.2%
John C. Soupene	$425,000	$440,000	3.5%
Cindi W. Summers	$425,000	$435,000	2.4%

These increases, which were all approved in June 2017, were based on the information described above and the views of our CEO, the Committee and the Board, which were primarily influenced by each NEO's recent performance and contribution to the Company's success.

As noted below, in the section named "Recent Executive Compensation Decisions for the 2019 Fiscal Year" on page 45, the NEOs did not receive any base salary increases for the 2019 fiscal year.

2. Annual Incentive Compensation Program

Overview

The NEOs, along with the Company's other officers, participate in an annual incentive compensation program (the "Annual Incentive Program"). The purpose of the Annual Incentive Program is to reward efforts made during the fiscal year toward the Company's achievement of certain performance goals. The Committee believes that it is important for the senior officers to function as a cohesive team, and therefore establishes the performance goals on the basis of the Company's performance as a whole.

For the 2018 fiscal year, the Annual Incentive Program implemented four changes:

- Increased pay differentiation according to job responsibilities, expressed as a percentage of base salary for each of the following three groups: CEO, Senior Vice Presidents and Vice Presidents. In prior fiscal years, payout at "target" was based on 60% of base salary for all NEOs. The Committee, in consultation with WTW, determined to make this change in order to better reflect the market practice as well as the NEOs' varying levels of responsibility and potential to have an impact on our performance.

- Implementation of two new metrics representing the Company's same-store sales growth and gross profit margin in both the inside sales and fuel categories. These metrics more closely align the annual incentive opportunity for executives with the performance of our key business segments, inside sales and fuel.

- Elimination of the return on invested capital metric. The Committee, in consultation with WTW, determined that this metric would be better suited for long-term performance goals and, therefore, incorporated return on invested capital as a metric in our long-term incentive program (as discussed below).

- Retention of the diluted "EPS" metric with the addition of a "circuit breaker" approach, which requires the Company to achieve a minimum level in diluted EPS before any NEO may earn an annual incentive bonus. This component increases alignment between our Annual Incentive Program and shareholder value.

As a result of these changes, each participant's annual incentive opportunity for the 2018 fiscal year was based on (i) diluted EPS (50%), (ii) same-store sales growth and gross profit margin in respect of the fuel category (20%), and (iii) same-store sales growth and gross profit margin in respect of the inside sales categories (30%). As noted above, a circuit breaker was also utilized, under which a minimum level of diluted EPS was required before any bonus under the Annual Incentive Program could be earned.

Beginning in the 2018 fiscal year, the payout at "target" is 100% of base salary for the CEO, either 65% or 70% of base salary for the Senior Vice Presidents, and between 50% and 60% of base salary for the Vice Presidents, with an overall payout range from 0% to 200% of target depending on performance. Below the threshold level, there is no payout in respect of the Annual Incentive Program. Achievement of threshold levels results in payouts of 50% of the target payout, and achievement of maximum levels results in payouts of 200% of the target payout.

All bonuses earned under the Annual Incentive Program were to be paid in cash, and unlike prior years, were not designed to include an equity component. The Committee determined, in consultation with WTW, that maintaining a mix of cash payments and equity awards between our two incentive programs would help smooth the cyclicality of fuel margins, a key component of the Company's business.

No bonuses were earned for the 2018 fiscal year, as described in the section named "2018 Fiscal Year Results" on page 39.

As noted below, in the section named "Recent Executive Compensation Decisions for the 2019 Fiscal Year" on page 45, the Board has approved a similar Annual Incentive Program for the 2019 fiscal year.

Financial Metrics

As noted above, for the 2018 fiscal year, the Company linked the Annual Incentive Program to the following three metrics, each of which is closely tied to the execution of strategic business objectives and together are designed to increase shareholder value:

1. Diluted EPS (50%): The growth of diluted EPS is related to the growth of shareholder value and is an important measure used by the investor community to evaluate our financial performance. Long-term sustained growth should positively impact our share price and market capitalization.

2. Fuel (same-store sales growth and gross profit margin) (20%): As the Company's largest revenue product, fuel sales are a critical component of our revenue and earnings. Over the past three fiscal years, on average, our fuel revenues accounted for approximately 60% of total revenue and our fuel gross profit accounted for approximately 23% of total gross profit.

3. Inside sales (same-store sales growth and gross profit margin) (30%): Inside sales includes a combination of the Company's "prepared food and fountain" and "grocery and other merchandise" categories, which generally consist of the Company's highest margin products. Over the past three fiscal years, on average, these categories have accounted for approximately 40% of the Company's total revenue, but have resulted in approximately 77% of total gross profit.

Same-store sales growth and gross profit margin are non-GAAP measures and are calculated as follows:

- Same-Store Sales: For purposes of these calculations, “same-store sales” includes aggregated individual store results for all stores open throughout a particular period. For example, when comparing annual data, the store must be open for each entire fiscal year being compared. Remodeled stores that remained open or were closed for just a very brief period of time (i.e., less than a week) during the period being compared remain in the same-store sales comparison. If a store is replaced, either at the same location (i.e., razed and rebuilt) or relocated to a new location, it is removed from the comparison until the new store has been open for each entire period being compared. Newly constructed and acquired stores do not enter the calculation until they are open for each entire period being compared. For a further discussion of our “same-store sales” comparison, see our “Management Discussion and Analysis of Financial Conditions and Results of Operations” in Note 4 to the Company’s consolidated financial statements included in the Company’s Form 10-K filing in respect of the 2018 fiscal year.

- Growth: In both the fuel and inside sales categories, the same-store sales growth metric is equal to the percentage increase in same-store sales from the prior fiscal year (i.e., the 2017 fiscal year). The same-store sales growth for the inside sales category is calculated based on each year’s revenue (i.e., dollars). However, the same-store sales growth for the fuel category is calculated based on number of gallons sold instead of revenue in order to account for the volatility of fuel prices.

- Gross Profit Margin: In the case of fuel, gross profit margin in respect of the 2018 fiscal year was equal to total revenue in respect of same-store fuel sales less total cost in respect of such sales (exclusive of depreciation and amortization) divided by the number of gallons sold. In the case of inside sales, gross profit margin in respect of the 2018 fiscal year was equal to total revenue in respect of same-store inside sales less total cost in respect of such sales (exclusive of depreciation and amortization) divided by total revenue in respect of such sales.

Setting Goals

At the beginning of each fiscal year, our management team, which includes our NEOs, officers and members of our finance group, prepares its annual strategic business goals and objectives in the form of an operating plan for the Company that is reviewed by the Committee (the “Operating Plan”). The goals and objectives are designed to ensure that our short-term revenue and unit growth objectives are met or exceeded in a manner that is consistent with long-term shareholder value creation. The Chief Financial Officer and his team are closely involved with setting the Company’s financial targets that are then incorporated into the Operating Plan.

The Committee estimates the operational and financial results for the fiscal year that would result from meeting the Operating Plan in terms of same-store sales, gross profit margin and diluted EPS. These pro forma results become the target performance levels for each metric under the Annual Incentive Program. Threshold and maximum performance goals are then set by the Committee, with the intent of providing reasonable upside opportunity and downside risk. Lastly, a “circuit breaker” is established, under which a minimum level of diluted EPS is required before any bonus under the Annual Incentive Program may be earned.

In making these determinations, the Committee seeks to adopt target goals that can be achieved with consistent superior performance throughout the year, so that both exceptional results above the target goal and results that are slightly less than the target goal, but which still represent acceptable performance, are rewarded to some extent. The Committee also considers the specific

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circumstances facing the Company during the year and expectations regarding diluted EPS and Company performance. The Committee then submits these goals and objectives to the Board for approval, typically in June.

The chart below summarizes the metrics and performance goals that the Board approved for the 2018 fiscal year:

FY18 Annual Incentive Program Performance Goals

	Circuit Breaker	Threshold	Target	Maximum
1. Diluted EPS	$4.15	$4.40	$4.89	$5.87
2. Fuel				
Same-store sales growth (1)		(0.7)%	1.5%	3.7%
Gross profit margin (2)		$0.165	$0.191	$0.216
3. Inside sales				
Same-store sales growth (1)		0.9%	4.5%	8%
Gross profit margin (2)		40.6%	41.5%	42.5%

(1) Equal to the percentage increase in sales as compared to the previous fiscal year (i.e., the 2017 fiscal year), with sales measured in gallons sold, in the case of the fuel category, in order to account for volatility in fuel prices and in revenue, in the case of the inside sales category.

(2) Equal to total revenue in respect of same-store fuel sales or same-store inside sales, as applicable, less total cost in respect of such sales (exclusive of depreciation and amortization) divided by gallons sold, in the case of fuel, and by revenue, in the case of inside sales.

Payout Levels

As noted above, the potential payout under the Annual Incentive Program for each NEO is represented as a percentage of base salary. The Committee selected varying levels for the CEO, Senior Vice Presidents and Vice Presidents in order to incorporate differentiation based on job duties and responsibilities. In doing so, the Company has maintained that a significant portion of each NEO’s total potential compensation is tied to the financial performance of the Company.

The potential payout at “target” in respect of fiscal year 2018 for each NEO is as follows: Mr. Handley, 100% ($925,000); Mr. Walljasper, 70% ($416,500); Ms. Jackowski, 65% ($385,125); Mr. Soupene, 70% ($308,000); and, Ms. Summers, 65% ($282,750).

The “target” of base salary noted for each NEO is then applied against each of the following individual percentages, which correspond to the achievement of the performance goals set forth above. The following table reflects the weighting of each performance metric:

Payout Formula (as a % of the “target” base salary)

	Circuit Breaker	Threshold	Target	Maximum
1. Diluted EPS	$4.15	25%	50%	100%
2. Fuel				
Same-store sales growth		5%	10%	20%
Gross profit margin		5%	10%	20%
3. Inside sales				
Same-store sales growth		7.5%	15%	30%
Gross profit margin		7.5%	15%	30%

If the diluted EPS “circuit breaker” is not achieved, no bonus is earned under the Annual Incentive Program, regardless of the achievement level of the other individual goals.

2018 Fiscal Year Results

For the 2018 fiscal year, despite strong same-store sales growth in fuel and achievement of gallons above the threshold in the inside sales category, no annual incentive bonuses were paid to our NEOs because of lack of achievement in the diluted EPS category. Actual diluted EPS (adjusted as noted below) was $3.81 per share, which fell below the established “circuit breaker”.

The Committee believes that this result is fair, given the importance of diluted EPS in measuring the overall success of our Company. Even though the Company achieved certain performance goals in the fuel and inside sales categories, such categories are more narrow and not as critical as diluted EPS in measuring the strength of our business in a given fiscal year.

The chart below summarizes the Annual Incentive Program performance goals compared to the actual results in each respective category for the 2018 fiscal year:

Performance Goals v. FY18 Actual Results

	Circuit Breaker	Threshold	Target	Maximum	FY18 Actual Results
1. Diluted EPS	$4.15	$4.40	$4.89	$5.87	$3.81(1)
2. Fuel					
Same-store sales growth		(0.7)%	1.5%	3.7%	2.3%
Gross profit margin		$0.165	$0.191	$0.216	$0.185
3. Inside sales					
Same-store sales growth		0.9%	4.5%	8%	1.8%
Gross profit margin		40.6%	41.5%	42.5%	41%

(1) For purposes of evaluating the Company’s performance for the 2018 fiscal year under the Annual Incentive Program, diluted EPS was reduced by $4.53 to exclude a one-time benefit from the Tax Cuts and Jobs Act (the “Tax Reform Act”) enacted on December 22, 2017, which resulted in revaluation of net deferred tax liabilities as of the date of enactment of the Tax Reform Act.

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3. Long-Term Incentive Compensation Program

Overview

A significant portion of the NEOs' compensation is delivered through equity awards granted under the Company's long-term incentive compensation program (the "LTIP"). The 2009 Stock Incentive Plan was designed to assist the Company in attracting, retaining and motivating executive officers and other key employees, and to align the interests of the officers and other key employees with those of our shareholders. The 2009 Stock Incentive Plan is scheduled to expire in September 2019. In order to replace the 2009 Stock Incentive Plan, the Company is seeking our shareholders' approval for the 2018 Stock Incentive Plan, as described in "Proposal 4" on page 76, which would further serve these objectives.

As with the Annual Incentive Program, the performance goals under the LTIP are derived from the Operating Plan and approved by the Committee. The goals are set in order to ensure that our NEOs' incentives align with the long-term success of the Company and value creation for our shareholders.

The Committee's practice has been to award RSUs to executive officers in June of each year. Since 2013, the Committee has authorized an annual award of time-based RSUs (subject to a three-year vesting period) to the officers and other key employees as a long-term incentive. The equity award grants made in July 2018 were made slightly later than usual because of additional time needed to consider changes to our executive compensation program.

For the 2018 fiscal year, all executive officers were granted 25% of their long-term incentives in the form of RSUs and 75% in the form of PSUs, with half of the PSUs subject to performance goals based on return on invested capital ("ROIC") and half subject to performance goals based on TSR relative to a peer group. The PSUs result in zero payout to our NEOs in the event that the Company does not achieve its ROIC and relative TSR performance goals over the three-year performance period (as described below). The 25%/75% weighting is based on the competitive compensation analyses provided by WTW and demonstrates alignment between management and shareholder interests.

The combination of time- and performance-based awards serves the Company's long-term objectives, as follows:

- RSUs: Supports talent attraction and retention objectives and balances the inherent challenges associated with PSUs, as non-controllable and highly variable external factors may affect the achievement of the Company's performance metrics.

- PSUs: Rewards executives for meeting key financial goals that are important to the long-term performance of the Company. Because the Company has been striving to enlarge its operating footprint, the Committee believes that ROIC is a particularly useful measure of management's effectiveness in creating value for our shareholders by measuring the Company's returns on capital expenditures. Relative TSR measures the long-term success of the Company while normalizing external, macroeconomic factors that fall outside of the Company's control.

Both the RSUs and PSUs cliff vest after three years (i.e., on June 15, 2020), subject to each executive officer's continued employment through such vesting date.

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As with the Annual Incentive Program, in the 2018 fiscal year the Committee implemented increased pay differentiation in setting the percentages of payout at "target" for each NEO under the LTIP. The value of the PSU awards at "target" is 150% of base salary for the CEO, either 110% or 125% of base salary for the Senior Vice Presidents, and between 90% and 100% of base salary for the Vice Presidents. In prior fiscal years, all NEOs received the same award of time-based RSUs (3,250 RSUs in each of the 2014, 2015, 2016 and 2017 fiscal years).

The PSUs awarded represent a target amount, with the actual number of shares earned ranging from 0% to 200% of each target, depending on the Company's performance in the ROIC and relative TSR metrics. Below the threshold level, there is no payout in respect of PSUs. Achievement of threshold levels results in payouts of 50% of the target payout, and achievement of maximum levels results in payouts of 200% of the target payout. The target, threshold and maximum performance levels are set to present our NEOs with a reasonable upside opportunity as well as downside risk.

As noted below in the section named "Recent Executive Compensation Decisions for the 2019 Fiscal Year" on page 45, the Board has approved a similar LTIP for the 2019 fiscal year.

Financial Metrics for Performance-Based Awards

- ROIC: For purposes of the LTIP, ROIC for each fiscal year is calculated as operating income after depreciation and tax, divided by average invested capital for that fiscal year. All of the following ROIC inputs come directly from the audited financial statements: "operating income" equals gross profit less operating expenses; "depreciation" equals depreciation and amortization; "tax" equals operating income less depreciation multiplied by the effective tax rate where "effective tax rate" equals federal and state income taxes divided by income before income taxes; "average invested capital" equals the summation of notes payable to bank, current maturities of long-term debt, long-term debt, net of current maturities, and total shareholders' equity for the current fiscal year and the previous fiscal year divided by two.
- Relative TSR: For purposes of the LTIP, TSR means the change in the value, expressed as a percentage of a given dollar amount invested in an applicable peer company's most widely publicly traded stock over the three-year performance period, taking into account both stock price appreciation (or depreciation) and the reinvestment of dividends (including the cash value of non-cash dividends) in additional stock of the company. The Company's TSR is then compared to the TSR of its Performance Peer Group, as described below.

LTIP Awards for the 2018 Fiscal Year

As noted above, the value of the LTIP award, at "target" on the applicable award/grant date is represented as a percentage of base salary, as follows: Mr. Handley, 150% ($1,387,500); Mr. Walljasper, 125% ($743,750); Ms. Jackowski, 110% ($651,750); Mr. Soupene, 125% ($550,000); and, Ms. Summers, 110% ($478,500).

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On July 14, 2017, the Committee approved the following LTIP awards, which were based on the closing price of the Common Stock on such date ($104.87):

FY18 RSU Awards (numbers of units and values)

NEO	RSUs Subject to Time-Based Goals	PSUs Subject to ROIC Goals (at target)	PSUs Subject to Relative TSR Goals (at target) (1)
Mr. Handley	3,308 ($346,875)	4,961 ($520,313)	4,001 ($520,313)
Mr. Walljasper	1,773 ($185,938)	2,660 ($278,906)	2,145 ($278,906)
Ms. Jackowski	1,554 ($162,938)	2,331 ($244,406)	1,879 ($244,406)
Mr. Soupene	1,311 ($137,500)	1,967 ($206,250)	1,586 ($206,250)
Ms. Summers	1,141 ($119,625)	1,711 ($179,438)	1,380 ($179,438)

(1) The "target" number of PSUs subject to relative TSR, as set forth above, was determined by WTW by utilizing a "Monte Carlo" valuation based on the award date. A Monte Carlo valuation simulates the prices of the Company's and each member of the Performance Peer Group's common stock price at the end of the relevant performance period, taking into account volatility and the specifics surrounding each TSR metric under the relevant plan.

- RSUs Subject to Time-Based Goals: These units represent 25% of the overall value of each NEO's LTIP award. The units vest in full on June 15, 2020, subject to continued employment through the vesting date, and are not subject to achievement of performance goals.

- PSUs Subject to ROIC Goals: These units represent 37.5% of the overall value of each NEO's LTIP award, vest in full on June 15, 2020, subject to continued employment through the vesting date, and are subject to adjustment based on the Company's performance. The final number of units awarded will be based on the Company's three-year average ROIC achievement over a three-year performance period, which includes the 2018, 2019 and 2020 fiscal years (the "Performance Period"). The Committee establishes the threshold, target and maximum ROIC goals for such Performance Period based on the Company's budget forecast for the same period. The number of units awarded to each NEO is based on the Company's achievement of threshold (50% awarded), target (100% awarded) and maximum (200% awarded) ROIC goals over the Performance Period.

- PSUs Subject to Relative TSR Goals: These units represent 37.5% of the overall value of each NEO's LTIP award, vest in full on June 15, 2020, subject to continued employment through the vesting date, and are subject to adjustment based on the Company's performance. The final number of units awarded will be based on the Company's TSR during the Performance Period relative to the Performance Peer Group described above. At the end of the Performance Period, members of the Performance Peer Group will be ranked highest to lowest according to each member's TSR over the Performance Period. The Company's percentile rank will be determined based on linear interpolation by reference to the two members of the Peer Group whose TSRs are immediately above and below the Company's TSR. The number of units awarded to each NEO is based on the

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Company's achievement of threshold (the 25th percentile, 50% awarded), target (the 50th percentile, 100% awarded) and maximum (the 80th percentile or higher, 200% awarded) TSR performance over the Performance Period.

Retirement

In prior years, LTIP award agreements contained a retirement provision whereby a participant who was at least 62 years of age, and separated by reason of normal retirement, would not forfeit all unvested RSUs, but instead, would retain one-half of his or her unvested RSUs, which will vest as originally scheduled.

The Committee, based on the recommendation of WTW, transitioned the retirement provision contained in the LTIP award agreements to a new formulation in order to better reflect market practice and in recognition that the efforts of employees have long-term effects on the success of the Company. Beginning with the 2018 fiscal year, the LTIP award agreements provide for a "rule of 65" (55 years of age + 10 full years of service) and "rule of 75" (age + full years of service), whereby if either "rule" is satisfied, a participant who separates by reason of normal retirement will retain all of his or her unvested RSUs and PSUs, which will vest as originally scheduled, subject to the achievement of applicable performance goals in the case of PSUs. This policy will apply prospectively.

The Committee presently intends to continue the practice and believes it rewards long-term, successful service to the Company while encouraging natural turnover at appropriate times.

4. Benefits and Perquisites

Our NEOs are eligible to participate in the comprehensive health benefits program we maintain for all benefits-eligible employees and in the retirement benefits program we maintain for a broad employee population.

We generally provide limited perquisites that the Committee believes are important components of each NEOs' compensation and benefits package. We pay the premiums for long-term disability and group life insurance coverages for all NEOs in order to provide financial security to each NEO and his or her dependents in the event of disability or death. Under Mr. Handley's employment agreement, we agreed to maintain a 10-year level premium term life insurance policy with a death benefit of $1,000,000 that insures the life of Mr. Handley and is payable upon his death to a beneficiary designated by him.

Our NEOs and other officers also are provided with Company-owned automobiles because they are expected to devote some portion of their time to business-related travel. These employees are subject to applicable employment-related taxes for the personal use of these automobiles. The Company does not provide our NEOs with any "gross-ups" to reimburse them for their tax obligations in connection with their Company-owned automobiles or otherwise.

Personal use of the Company's aircraft is prohibited under Company policy.

Employment and Change of Control Severance Agreements

We are a party to an employment agreement with Mr. Handley with respect to his service as President and CEO, which took effect on May 1, 2016. The Company has not entered into an employment agreement with any other NEO.

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We maintain change of control severance agreements with each of our NEOs and twelve other officers. The purpose of the change of control severance agreements is to encourage such individuals to carry out their duties in the event of a possible change of control of the Company.

For a description of Mr. Handley's employment agreement and the change of control severance agreements, please see the section named "Executive Compensation--Narrative to the Summary Compensation Table and the Grants of Plan-Based Awards Table" on page 53.

Retirement Arrangements

All NEOs and other officers are eligible to participate in the 401K Plan under the same terms and conditions as other eligible, full-time employees.

The Company also maintains the Executive Nonqualified Excess Plan (the "Deferred Compensation Plan"), a nonqualified deferred compensation plan that is described in the section named "Executive Compensation--Nonqualified Deferred Compensation" on page 59. The purpose of the Deferred Compensation Plan is to enable the participants, including our NEOs, to defer a portion of their income without the limitations imposed by the Internal Revenue Code on deferrals under the 401K Plan. The Company does not make matching or other contributions to the Deferred Compensation Plan.

Additional Compensation Policies

Discouraging Excessive Risk-Taking

- Clawback Policy: As discussed further above in the section named "Other Key Corporate Governance Provisions" on page 14, the Board has adopted a policy that enables the Company to seek reimbursement of any annual incentive payment or equity award made to an executive officer in certain circumstances related to the substantial or material restatement of the Company's financial statements.

- Hedging and Pledging Policy: As discussed further above in the section named "Other Key Corporate Governance Provisions" on page 14, the Company prohibits hedging of Company stock and other short-term of speculative transactions as well as the pledging of Company stock unless approved in advance by the compliance officer.

Focus on Long-Term Success

- Stock Ownership Policy: As discussed further above in the section named "Other Key Corporate Governance Provisions" on page 14, the Company has put in place a stock ownership requirement policy for its senior executives, including our NEOs. The policy requires each senior executive to own a number of shares of Common Stock equal to the value of a multiple of his or her base salary (i.e., four times' base salary in the case of the CEO, three times' base salary in the case of Senior Vice Presidents and two times' base salary in the case of Vice Presidents). For this purpose, restricted stock and unvested RSUs may be counted towards the ownership requirement, but stock options are not.

Conservative Compensation Measures

- No Tax Gross-Ups: Under the change of control severance agreements, if any of the severance subjects a named executive officer to a golden parachute excise tax, he or she is not entitled to any "gross-up" to reimburse him or her for the excise tax. Furthermore, the Company may reduce any payment if it would be non-deductible by the Company for

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federal income tax purposes because of Section 280G of the Internal Revenue Code. Neither the 2009 Stock Incentive Plan nor the proposed 2018 Stock Incentive Plan provides for tax gross-ups for any participant.

- Option Grants: Stock options can only be approved by the Committee at an in-person or telephonic meeting and may not be approved by written consent. In addition, stock options can be granted only within a two-week period following the release of the Company's annual financial results in June and only if directors are not at that time in possession of material non-public information about the Company. Under the Company's policy, the grant date of stock options is the date of the meeting when the grant is approved. All stock options must be granted with an exercise price equal to the closing price of the Common Stock on the Nasdaq Global Select Market on the grant date. Details of every stock option grant must be reflected in Committee minutes, and the Corporate Secretary must verify that grant documents are consistent with the grants authorized by the Committee and memorialized in the minutes. The Committee has not awarded any stock option grants since 2011.

Committee Consideration of Results of Advisory Shareholder Vote

At the annual shareholders' meeting in respect of the 2018 fiscal year, our executive compensation program received the support of over 96% of the votes cast at that meeting. The Committee has considered the results of this advisory vote and views the outcome as evidence of shareholder support of our executive compensation decisions and policies.

The Committee has furthered its commitment to alignment between executive compensation and our shareholders' interests through three substantial improvements for the 2018 fiscal year, as described above: (i) the engagement of WTW to advise on executive compensation matters in order to better incorporate best practices and competitive compensation analyses into our program; (ii) the implementation of two new types of performance goals for the Annual Incentive Program, which reflect the performance of the Company's most important business segments; and (iii) the transition to a greater emphasis on performance measures for the LTIP to better align our executives' performance incentives with the Company's long-term performance.

The Committee will continue to review shareholder votes on our executive compensation program and consider whether any additional changes to the program are warranted in light of the voting results.

Recent Executive Compensation Decisions for the 2019 Fiscal Year

In recognition of the challenges that the Company faced in the 2018 fiscal year, none of the NEOs received an increase in compensation for the 2019 fiscal year.

Base Salary

Since the close of the 2018 fiscal year, the Board has determined that no salary increases will be provided to the NEOs for the 2019 fiscal year.

Annual Incentive Compensation

The Board has approved annual incentive compensation for the 2019 fiscal year with a similar structure as used in the Annual Incentive Program for the 2018 fiscal year, as described above. The plan will continue to be based on diluted EPS (50%), with the remaining 50% of the plan based on same-store sales growth and gross profit margin in both fuel (20%) and inside sales (30%). The

Committee has set the “circuit breaker,” threshold, target and maximum performance levels. The payout at target is 100% of base salary for the CEO, 65% or 70% of base salary for Senior Vice Presidents, and between 50% and 60% of base salary for Vice Presidents, with an overall payout range from 0% to 200% of target depending on performance. All bonuses earned under the plan will be paid in cash.

Long-Term Incentive Compensation

The Board has approved LTIP awards to the NEOs and ten other officers similar in structure to the 2018 fiscal year awards, as described above. The awards will continue to be based on a percentage (ranging from 90% to 150%) of the officer’s base salary for the 2019 fiscal year, and consist of three types of equity awards: RSUs subject to time-based goals (comprising 25% of the award amount); PSUs subject to ROIC performance goals (comprising 37.5% of the award amount); and PSUs subject to relative TSR performance goals (comprising 37.5% of the award amount). The PSUs awarded based on ROIC and relative TSR represent a target amount, with the actual number of shares earned ranging from 0% to 200% of each target, based on performance over a three-year performance period (fiscal years 2019, 2020 and 2021). Such RSUs and PSUs will vest in full on June 15, 2021, subject in each instance to the officer’s continued employment with the Company through the vesting date and the satisfaction of the applicable performance metrics.

In addition, in preparation for the expiration of the 2009 Stock Incentive Plan in September 2019, the Board has approved the adoption of the 2018 Stock Incentive Plan, which has been submitted to shareholders for their approval under this proxy statement. The 2018 Stock Incentive Plan is intended to replace the 2009 Stock Incentive Plan, under which no new awards will be allowed to be granted as of the date the 2018 Stock Incentive Plan is approved by our shareholders. The terms of the 2018 Stock Incentive Plan are generally consistent with the terms of the 2009 Stock Incentive Plan, however, the Board made certain changes in order to be consistent with best practices, including providing for double-trigger vesting of awards upon a change of control and imposing an annual aggregate limit on cash compensation paid and equity awards granted to non-employee directors. For more information on the proposed 2018 Stock Incentive Plan, see “Proposal 4” on page 76.

Tax Treatment of Certain Compensation

Pursuant to Section 162(m) of the Code, as in effect for the Company’s 2018 fiscal year, compensation in excess of $1,000,000 per year paid to the CEO and three other highest-paid executive officers (other than the CFO) was not deductible unless it qualified as “performance-based compensation”. The Tax Reform Act, which was signed into law on December 22, 2017, eliminated the exception for “performance-based compensation” with respect to the Company’s 2019 fiscal year and thereafter. As a result, the Company expects that, except to the extent that compensation is eligible for limited transition relief applicable to binding contracts in effect on November 2, 2017, compensation over $1,000,000 per year paid to any NEO (and any person who was an NEO for any year, beginning with the Company’s 2018 fiscal year) will be nondeductible under Section 162(m).

While the Committee’s general policy is to preserve the deductibility of compensation paid to the NEOs, the Committee nevertheless retains the authority to provide compensation to our executives that is not deductible, including when necessary to maintain the flexibility needed to attract talent, promote retention or recognize and reward desired performance.

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COMPENSATION COMMITTEE REPORT

The Committee has reviewed and discussed with management the Compensation Discussion and Analysis that begins on page 27. Based on the Committee's review and the discussions with management, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

COMPENSATION COMMITTEE
Larree M. Renda, Chair
David K. Lenhardt
Allison M. Wing

Notwithstanding anything to the contrary set forth in any of the Company's previous or future filings under the Securities Act, or the Exchange Act, that might incorporate by reference this Proxy Statement or future filings made by the Company under those statutes, the Compensation Committee Report and the Audit Committee Report are not deemed filed with the SEC and shall not be deemed incorporated by reference into any of those prior filings or into any future filings made by the Company under those statutes.

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COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION IN COMPENSATION DECISIONS

The members of the Committee are Ms. Renda, Mr. Lenhardt and Ms. Wing, none of whom has ever been an officer or employee of the Company or any its subsidiaries or had any relationship requiring disclosure by the Company under Item 404 of Regulation S-K. There are no executive officer-director interlocks where an executive of the Company serves on the compensation committee of another corporation that has an executive officer serving on the Board.

COMPENSATION PROGRAMS AND RISK MANAGEMENT

The Committee has considered whether any of its compensation programs and policies are reasonably likely to have a material adverse effect on the Company. The Company's compensation programs and policies mitigate risk by combining performance-based, long-term compensation elements with payouts that are highly correlated to the value delivered to shareholders. The combination of performance measures for annual bonuses and the equity compensation programs, maximum potential bonus payments, the multi-year vesting schedules for RSUs as well as the performance goals for PSUs, encourage employees to maintain both a short- and a long-term view with respect to Company performance. For these reasons, the Committee has determined that its compensation programs and policies are not reasonably likely to have a material adverse effect on the Company.

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EXECUTIVE COMPENSATION

The table below summarizes the total compensation paid or earned by our CEO, CFO and each of our three other most highly compensated executive officers (our "named executive officers" or "NEOs") for services rendered in all capacities during the 2018 fiscal year:

Summary Compensation Table

Name and Principal Position (1)	Fiscal Year	Salary	Stock Awards(2)	Option Awards(3)	Non-equity Incentive Plan Compensation (4)	All Other Compensation(5)	Total
Terry W. Handley,	2018	$925,000	$1,387,500	$ —	$ —	$ 24,697	$2,337,197
President and CEO	2017	$900,000	$404,950	$ —	$ —	$ 25,571	$1,330,521
	2016	$770,000	$1,883,728	$ —	$ 231,000	$ 23,995	$2,908,723
William J. Walljasper,	2018	$595,000	$743,750	$ —	$ —	$ 32,142	$1,370,892
Senior Vice President--Chief Financial	2017	$580,000	$404,950	$ —	$ —	$ 27,140	$1,012,090
Officer	2016	$550,000	$669,928	$ —	$ 165,000	$ 23,767	$1,408,695
Julia L. Jackowski	2018	$592,500	$651,750	$ —	$ —	$ 29,196	$1,273,446
Senior Vice President--Corporate	2017	$580,000	$404,950	$ —	$ —	$ 26,951	$1,011,901
General Counsel and Secretary	2016	$530,000	$655,928	$ —	$ 159,000	$ 25,141	$1,370,069
John C. Soupene	2018	$440,000	$550,000	—	$ —	$ 26,412	$1,016,412
Senior Vice President--Operations	2017	$425,000	$404,950	—	$ —	$ 26,655	$856,605
	2016	$325,000	$380,923	—	$ 97,500	$ 25,429	$828,852
Cindi W. Summers (6)	2018	$435,000	$478,500	$ —	$ —	$ 28,031	$941,531
Senior Vice President--Human Resources	2017	$425,000	$330,190	$ —	$ —	$ 27,052	$782,242

(1) The Company made certain updates to the amounts and the NEOs included in the Summary Compensation Table in respect of the 2016 and 2017 fiscal years in order to reflect the grant date fair values of stock awards made during such years. In addition, the amount of All Other Compensation in respect of the 2016 and 2017 fiscal years has been updated to exclude certain broad-based, non-discriminatory benefits as well as certain other benefits described in Footnote 5 below.

(2) The amounts set forth in the Stock Awards column represent the aggregate grant date fair value of vested shares of Common Stock, RSUs and PSUs awarded to the applicable NEO by the Company in each fiscal year referenced in the table above under the Company's Long Term Incentive Program (the "LTIP"), reported in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("FASB ASC 718"). For the 2016 fiscal year, the amounts listed include vested shares of Common Stock subject to a three-year holding requirement, which were awarded under the Company's annual incentive compensation program (the "Annual Incentive Program"), and time-based RSUs awarded under the Company's LTIP, which RSUs are scheduled to cliff-vest on the third anniversary of their grant date. For the 2017 fiscal year, the amounts listed include only time-based RSUs awarded under the Company's LTIP, which are scheduled to cliff-vest on the third anniversary of their grant date. For the 2018 fiscal year, the amounts listed include time-based RSUs, PSUs subject to return on

invested capital (“ROIC”) vesting conditions and PSUs subject to relative total

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shareholder return ("relative TSR") vesting conditions, representing 25%, 37.5% and 37.5%, respectively, of the total value of each NEO's fiscal year 2018 award. Such RSUs and PSUs awarded in respect of the 2018 fiscal year vest in full on June 15, 2020, subject to each NEO's continued employment through such vesting date and, in the case of PSUs, to the Company's achievement of the applicable performance goals.

The grant date fair value of RSUs is based on the closing price of our Common Stock on the grant date. The grant date fair value of PSUs subject to ROIC performance goals is based on the closing price of our stock on the grant date and achievement of performance goals at the target level, which was determined to be the probable outcome as of the grant date. The grant date fair value of PSUs subject to relative TSR performance goals is based on a "Monte Carlo" valuation pursuant to which we estimated the Company's TSR relative to its Performance Peer Group (as defined in the Section named "Compensation Discussion and Analysis--Use of Peer Groups" on page 31) during the three-year performance period and the achievement of performance goals at the target level, which was determined to be the probable outcome as of the grant date.

The values of such PSUs based on maximum achievement of the ROIC and relative TSR performance conditions are detailed below:

	Maximum Value of PSUs Subject to ROIC Performance Goals	Maximum Value of PSUs Subject to Relative TSR Performance Goals	Total Maximum Value of PSUs Subject to ROIC and Relative TSR Performance Goals
Terry W. Handley	$ 1,040,625	$ 1,040,625	$ 2,081,250
William J. Walljasper	$ 557,813	$ 557,813	$ 1,115,626
Julia L. Jackowski	$ 488,813	$ 488,813	$ 977,626
John C. Soupene	$ 412,500	$ 412,500	$ 825,000
Cindi W. Summers	$ 358,875	$ 358,875	$ 717,750

See the section named "Compensation Discussion and Analysis--Long-Term Incentive Compensation Program" beginning on page 40 for additional information regarding the performance criteria for the PSUs and their relative weight. For information about the financial reporting of RSUs and PSUs, see Note 4 to the Company's consolidated financial statements included in the Company's Form 10-K filing in respect of the 2018 fiscal year. The actual value, if any, realized by an NEO from PSUs will depend on the actual performance level achieved by the Company for the applicable performance period. Such PSUs are subject to adjustment based on the Company's performance.

(3) No stock options were awarded to the NEOs during the indicated fiscal years.

(4) The amounts set forth in the Non-Equity Incentive Plan Compensation column for the 2016 fiscal year represent cash bonuses paid to each NEO in respect of the 2016 fiscal year under the Annual Incentive Program. No cash bonuses were earned by our NEOs in respect of the 2017 or 2018 fiscal year.

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(5) The amounts comprising All Other Compensation for the 2018 fiscal year are detailed below:

Name	401K Plan Matching Contribution	Automobile Expense	Total
Terry W. Handley	$ 16,457	$ 8,240	$24,697
William J. Walljasper	$ 16,459	$ 15,683	$32,142
Julia L. Jackowski	$ 16,418	$ 12,778	$29,196
John C. Soupene	$ 16,488	$ 9,924	$26,412
Cindi W. Summers	$ 14,717	$ 13,314	$28,031

During the 2018 fiscal year, the NEOs were also provided with life insurance benefits, executive physicals and identity theft protection, however, such amounts have been excluded from All Other Compensation under the de minimis exception. Executive physicals and identity theft protection were not provided to the NEOs during the 2016 and 2017 fiscal years. NEOs were also provided with medical and disability benefits that are not included in the table above, since they are provided under broad-based, non-discriminatory benefit plans.

(6) Ms. Summers was designated as an executive officer for the first time in June 2016. Therefore, only Ms. Summers' compensation for the 2017 and 2018 fiscal years is presented.

Grants of Plan-Based Awards in Fiscal 2018

The following table provides information regarding grants of equity and non-equity incentive awards under Company plans for each NEO during the 2018 fiscal year.

Name	Award Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units(#)(3)	Grant Date Fair Value of Stock and Option Awards($)(4)
			Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		
	Annual Incentive		462,500	925,000	1,850,000	—	—	—	—	—
Terry W. Handley	RSU	7/14/2017	—	—	—	—	—	—	3,308	346,875
	PSU (ROIC)	7/14/2017	—	—	—	2,481	4,961	9,922	—	520,313
	PSU (TSR)	7/14/2017	—	—	—	2,001	4,001	8,002	—	520,313
	Annual Incentive		208,250	416,500	833,000	—	—	—	—	—
William J. Walljasper	RSU	7/14/2017	—	—	—	—	—	—	1,773	185,938
	PSU (ROIC)	7/14/2017	—	—	—	1,330	2,660	5,320	—	278,906
	PSU (TSR)	7/14/2017	—	—	—	1,073	2,145	4,290	—	278,906
	Annual Incentive		192,563	385,125	770,250	—	—	—	—	—
Julia L. Jackowski	RSU	7/14/2017	—	—	—	—	—	—	1,554	162,938
	PSU (ROIC)	7/14/2017	—	—	—	1,166	2,331	4,662	—	244,406
	PSU (TSR)	7/14/2017	—	—	—	940	1,879	3,758	—	244,406
	Annual Incentive		154,000	308,000	616,000	—	—	—	—	—
John C. Soupene	RSU	7/14/2017	—	—	—	—	—	—	1,311	137,500
	PSU (ROIC)	7/14/2017	—	—	—	984	1,967	3,934	—	206,650
	PSU (TSR)	7/14/2017	—	—	—	793	1,586	3,172	—	206,650
	Annual Incentive		141,375	282,750	565,500	—	—	—	—	—
Cindi W. Summers	RSU	7/14/2017	—	—	—	—	—	—	1,141	119,625
	PSU (ROIC)	7/14/2017	—	—	—	856	1,711	3,422	—	179,438
	PSU (TSR)	7/14/2017	—	—	—	690				