ADVANCE AUTO PARTS INC
Form DEF 14A
April 16, 2012

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 ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(5)(2))

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

ADVANCE AUTO PARTS, 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 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:

ADVANCE AUTO PARTS, INC.
5008 AIRPORT ROAD
ROANOKE, VIRGINIA 24012

NOTICE OF 2012 ANNUAL MEETING OF STOCKHOLDERS
May 15, 2012

It is my pleasure to invite you to attend the 2012 Annual Meeting of the Stockholders (the "Annual Meeting") of Advance Auto Parts, Inc. (the "Company"), a Delaware corporation, on Tuesday, May 15, 2012 at 8:30 a.m. Eastern Daylight Time (EDT). The meeting will be held at Advance Auto Parts, Inc., 5008 Airport Road, Roanoke, Virginia 24012.

At the Annual Meeting, stockholders will vote on the following matters, which are further described in the attached proxy statement (the "Proxy Statement"):

1. Election of the ten nominees named in the Proxy Statement to the Board of Directors to serve until the 2013 annual meeting of stockholders;

2. Advisory vote to approve the compensation of the Company’s named executive officers;

3. Re-approval of performance objectives contained in the Company's 2007 Executive Incentive Plan;

4. Re-approval of performance objectives contained in the Company's 2004 Long-Term Incentive Plan;

5. Approval of Amended and Restated 2002 Employee Stock Purchase Plan;

6. Ratification of the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for 2012;

7. Advisory vote on a stockholder proposal, if presented at our Annual Meeting, regarding stockholder voting requirements; and

8. Action upon such other matters, if any, as may properly come before the meeting.

The Board of Directors set March 21, 2012 as the Record Date. Only holders of record of our common stock at the close of business on that day are entitled to vote at our Annual Meeting or any adjournment of our Annual Meeting.

We invite you to attend our Annual Meeting and vote. We urge you, after reading the Proxy Statement, to sign and return the enclosed proxy card as promptly as possible in the enclosed postage prepaid envelope or vote your proxy by Internet or telephone by following the instructions on the form of proxy. If you attend our Annual Meeting, you may vote in person, even if you previously voted by proxy.
By order of the Board of Directors,

Sarah E. Powell
Senior Vice President, General Counsel
and Corporate Secretary

Roanoke, Virginia
April 16, 2012

TABLE OF CONTENTS

ADVANCE AUTO PARTS, INC.
PROXY STATEMENT
FOR 2012 ANNUAL MEETING OF STOCKHOLDERS

ABOUT THE ANNUAL MEETING AND VOTING

Important Notice Regarding Availability of Proxy Materials for Stockholder Meeting to be Held on May 15, 2012.

This Proxy Statement and the 2011 annual report to stockholders are available on our Internet website at www.AdvanceAutoParts.com.

What is the purpose of the Annual Meeting?

At our Annual Meeting, the stockholders will act upon the matters outlined in the Notice of Meeting on the first page of this Proxy Statement, including the election of the ten nominees named below as directors, an advisory vote to approve the compensation of our named executive officers, re-approval of the performance objectives contained in the Company's 2007 Executive Incentive Plan, re-approval of the performance objectives contained in the Company's 2004 Long-Term Incentive Plan, approval of the Company's Amended and Restated 2002 Employee Stock Purchase Plan, ratification of our independent registered public accounting firm (the "independent auditors") and an advisory vote on a stockholder proposal regarding stockholder voting requirements. This Proxy Statement summarizes the information you need to know to vote at the Annual Meeting. This Proxy Statement and form of proxy were first mailed to stockholders on or about April 16, 2012.

Where will the Meeting be held?

The 2012 Annual Meeting will be held on Tuesday, May 15, 2012 at 8:30 a.m. (EDT), at the Advance Auto Parts Store Support Center located at 5008 Airport Road, Roanoke, Virginia 24012. Our Store Support Center is accessible to persons with disabilities. If you have a disability, we can provide reasonable assistance to help you participate in the meeting upon request.

Who is soliciting my vote?

Our Board of Directors ("Board") is soliciting your proxy to vote at the Annual Meeting.

What am I voting on?

You are voting on seven proposals:

1. The election of the following ten nominees to the Board of Directors to serve until the 2013 annual meeting of stockholders:

- John F. Bergstrom
- John C. Brouillard
- Fiona P. Dias
- William S. Oglesby
- J. Paul Raines
- Gilbert T. Ray

- Frances X. Frei
- Darren R. Jackson
- Carlos A. Saladrigas
- Jimmie L. Wade

2. Advisory vote to approve the compensation of the Company's named executive officers;

3. Re-approval of the performance objectives contained in the Advance Auto Parts, Inc. 2007 Executive Incentive Plan;

4. Re-approval of the performance objectives contained in the Advance Auto Parts, Inc. 2004 Long-Term Incentive Plan;

5. Approval of the Amended and Restated 2002 Employee Stock Purchase Plan;

6. Ratification of the appointment of Deloitte & Touche LLP (“Deloitte”) as our independent registered public accounting firm for 2012; and

7. Advisory vote on a stockholder proposal, if presented at our Annual Meeting, regarding stockholder voting requirements.

What are the voting recommendations of the Board?

The Board recommends the following votes:

1. FOR each of the ten director nominees to the Board ("Proposal No. 1");

2. FOR the approval of the compensation of the Company’s named executive officers ("Proposal No. 2");

3. FOR the re-approval of the performance objectives contained in the Company's 2007 Executive Incentive Plan ("Proposal No. 3");

4. FOR the re-approval of the performance objectives contained in the Company's 2004 Long-Term Incentive Plan ("Proposal No. 4");

5. FOR the approval of the Amended and Restated 2002 Employee Stock Purchase Plan ("Proposal No. 5");

6. FOR the ratification of the appointment of Deloitte as our independent registered public accounting firm for 2012 ("Proposal No. 6"); and

7. AGAINST the advisory stockholder proposal, if presented at our Annual Meeting ("Proposal No. 7").

Will any other matters be voted on?

The Board does not intend to present any other matters at the Annual Meeting. We do not know of any other matters that will be brought before the stockholders for a vote at the Annual Meeting. If any other matter is properly brought before the Annual Meeting, your signed proxy card gives authority to Sarah E. Powell and Michael A. Norona as proxies, with full power of substitution ("Proxies"), to vote on such matters in their discretion in accordance with their best judgment.

Who is entitled to vote?

Stockholders of record as of the close of business on March 21, 2012 (the "Record Date") are entitled to vote at the Annual Meeting.

How many votes do I have?

You will have one vote for every share of Company common stock that you owned at the close of business on the Record Date. You are not entitled to cumulate your votes.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Many stockholders hold their shares through a broker or bank rather than directly in their own names. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record
If your shares are registered directly in your name with our transfer agent, Computershare, you are considered, with respect to those shares, the stockholder of record, and these proxy materials are being sent directly to you by the Company.

Beneficial Owner
If your shares are held in a stock brokerage account or by a bank, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your bank or broker, which is considered the stockholder of record of these shares. As the beneficial owner, you have the right to direct your bank or broker how to vote and are also

invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you bring with you a legal proxy from the stockholder of record. Your bank or broker has enclosed a voting instruction card for you to use for providing directions for how to vote your shares.

How do I vote?

If you are a stockholder of record, there are four ways to vote:

- By Internet at www.proxyvote.com;
- By toll-free telephone at 1-800-690-6903;
- By completing and mailing your proxy card; or
- By written ballot at the Annual Meeting.

If you vote by Internet or telephone, your vote must be received by 11:59 P.M. (EDT) on May 14, 2012, the day before the Annual Meeting. Your shares will be voted as you indicate. If you sign and return your proxy card but you do not indicate your voting preferences, the Proxies will vote your shares FOR Proposal Nos. 1 through 6 and AGAINST Proposal No. 7.

If your shares are held in street name, you should follow the voting directions provided by your bank or broker. You may complete and mail a voting instruction card to your bank or broker or, in most cases, submit voting instructions by the Internet or telephone to your bank or broker. If you provide specific voting instructions by mail, the Internet or telephone, your shares should be voted by your bank or broker as you have directed. AS A RESULT OF THE NEW YORK STOCK EXCHANGE'S RULES, YOUR BANK OR BROKER CANNOT VOTE WITH RESPECT TO ANY PROPOSAL, EXCEPT FOR PROPOSAL NO. 6, UNLESS IT RECEIVES VOTING INSTRUCTIONS FROM YOU.

We will distribute written ballots at the Annual Meeting to any stockholder who wants to vote. If you hold your shares in street name, you must request a legal proxy from your bank or broker to vote in person at the Annual Meeting.

Can I change my vote or revoke my proxy?

Yes. If you are a stockholder of record, you can change your vote or revoke your proxy any time before the Annual Meeting by:

- Entering a new vote by Internet or telephone;
- Returning a later-dated proxy card;
- Sending written notice of revocation to Sarah E. Powell, Senior Vice President, General Counsel and Corporate Secretary, at the Company's address of record, which is 5008 Airport Road, Roanoke, VA 24012; or
- Completing a written ballot at the Annual Meeting.

If your shares are held in street name, you must follow the specific directions provided to you by your bank or broker to change or revoke any instructions you have already provided to your bank or broker.

Is my vote confidential?

It is the policy of the Company that all proxies, ballots, voting instructions and tabulations that identify the vote of a stockholder will be kept confidential from the Company, its directors, officers and employees until after the final vote is tabulated and announced, except in limited circumstances, including: any contested solicitation of proxies, when required to meet a legal requirement, to defend a claim against the Company or to assert a claim by the Company and when written comments by a stockholder appear on a proxy card or other voting material.

How are votes counted?

Votes are counted by inspectors of election designated by the corporate secretary.

Who pays for soliciting proxies?

We will pay for the cost of preparing, assembling, printing and mailing this Proxy Statement and the accompanying form of proxy to our stockholders, as well as the cost of soliciting proxies relating to the meeting. We may request banks and brokers to solicit their customers, on whose behalf such banks and brokers hold our common stock in street name. We will reimburse these banks and brokers for their reasonable out-of-pocket expenses for these solicitations. The Company has retained

MacKenzie Partners, Inc. to assist with the solicitation of proxies for a fee not to exceed $20,000, plus reimbursable expenses. Our officers, directors and employees may supplement these solicitations of proxies by telephone, facsimile, e-mail and personal solicitation. We will pay no additional compensation to our officers, directors or employees for these activities.

What is the quorum requirement of the Annual Meeting?

A majority of the outstanding shares of our common stock on the Record Date, represented in person or by proxy at the Annual Meeting, constitutes a quorum for voting on proposals at the Annual Meeting. If you vote, your shares will be part of the quorum. Abstentions, including those recorded by brokers holding their customers' shares, will be counted in determining the quorum. On the Record Date, there were 73,240,575 shares outstanding and 280 stockholders of record. A majority of our common stock, or 36,620,288 shares, will constitute a quorum.

What are broker non-votes?

Broker non-votes occur when holders of record, such as banks and brokers holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial owners by the date specified in the statement requesting voting instructions that has been provided by the bank or broker.

If that happens, the bank or broker may vote those shares only on matters as permitted by The New York Stock Exchange. The New York Stock Exchange prohibits banks and brokers from voting uninstructed shares in, among other things, the election of directors and matters related to executive compensation; accordingly, banks and brokers cannot vote with respect to any Proposal presented for consideration in this Proxy Statement except for Proposal No. 6 unless they receive voting instructions from the beneficial owners. Broker non-votes are not treated as votes cast under Delaware law.

What vote is required to approve each proposal?

Proposal No. 1. For the election of directors, the ten nominees for director will be elected if they receive a majority of the votes cast at the Annual Meeting for the election of directors. For purposes of the election of directors, a majority of votes cast means that the number of shares voted "for" a director's election exceeds 50 percent of the number of votes cast with respect to that director's election, and votes cast include votes to withhold authority and exclude abstentions and broker non-votes.

Proposal No. 2. For the advisory vote to approve the compensation of the Company's named executive officers, the vote is non-binding and, therefore, no specific vote is required to approve the proposal. However, the Board and the Compensation Committee will review the voting results and consider them in making future decisions about executive compensation programs.

Proposal No. 3. Re-approval of the performance objectives contained in our 2007 Executive Incentive Compensation Plan requires the approving vote of a majority of the votes cast on this proposal by the holders of shares of our common stock who are present, or represented by proxy, and entitled to vote at the annual meeting. Abstentions count as votes cast and have the effect of a vote against the proposal. The number of shares entitled to vote excludes broker non-votes.

Proposal No. 4. Re-approval of the performance objectives contained in our 2004 Long-Term Incentive Plan requires the approving vote of a majority of the votes cast on this proposal by the holders of shares of our common stock who are present, or represented by proxy, and entitled to vote at the annual meeting. Abstentions count as votes cast and have the effect of a vote against the proposal. The number of shares entitled to vote excludes broker non-votes.

Proposal No. 5. Approval of the Amended and Restated 2002 Employee Stock Purchase Plan requires the approving vote of a majority of the votes cast on this proposal by the holders of shares of our common stock who are present, or represented by proxy, and entitled to vote at the annual meeting. Abstentions count as votes cast and have the effect of a vote against the proposal. The number of shares entitled to vote excludes broker non-votes.

Proposal No. 6. Ratification of our independent registered public accounting firm requires the approving vote of a majority of the votes cast on this proposal by the holders of shares of our common stock who are present, or represented by proxy, and entitled to vote at the Annual Meeting. Abstentions count as votes cast and have the effect of a vote against the proposal. The number of votes cast excludes broker non-votes.

Proposal No. 7. For the advisory vote on the stockholder proposal regarding the stockholder voting requirements, the vote is non-binding and, therefore, no specific vote is required to approve this proposal.

Who can attend the Annual Meeting?

Only Advance Auto Parts stockholders as of the close of business on the Record Date may attend the Annual Meeting.

What do I need to do to attend the Annual Meeting?

If you are a stockholder of record, your proxy card is your admission ticket to the Annual Meeting. If you own shares in street name, you will need to ask your broker or bank for an admission ticket in the form of a legal proxy. You will need to bring the legal proxy with you to the Annual Meeting along with valid picture identification. If you do not receive the legal proxy in time, bring your most recent brokerage statement with you to the Annual Meeting. We can use your statement to verify your ownership of our common stock and admit you to the Annual Meeting; however, you will not be able to vote your shares at the Annual Meeting without a legal proxy.

What does it mean if I get more than one proxy card?

It means you own shares in more than one account. You should vote the shares on each of your proxy cards.

How can I consolidate multiple accounts registered in variations of the same name?

If you have multiple accounts, we encourage you to consolidate your accounts by having all your shares registered in exactly the same name and address. You may do this by contacting our transfer agent, Computershare, toll-free at (866) 865-6327 or at P.O. Box 358015, Pittsburgh, PA 15252-8015, Attention: Shareholder Correspondence.

I own my shares indirectly through my broker, bank or other nominee, and I receive multiple copies of the annual report, proxy statement and other mailings because more than one person in my household is a beneficial owner. How can I change the number of copies of these mailings that are sent to my household?

If you and other members of your household are beneficial owners, you may eliminate this duplication of mailings by contacting your broker, bank or other nominee. Duplicate mailings in most cases are wasteful for us and inconvenient for you, and we encourage you to eliminate them whenever you can. If you have eliminated duplicate mailings, but for any reason would like to resume them, you must contact your broker, bank or other nominee.

I own my shares directly as a registered owner of Company stock and so do other members of my family living in my household. How can I change the number of copies of the annual report and proxy statement being delivered to my household?

Family members living in the same household generally receive only one copy per household of the annual report, proxy statement and most other mailings. The only item which is separately mailed for each registered stockholder or account is a proxy card. If you wish to start receiving separate copies in your name, apart from others in your household, you must contact Computershare toll-free at (866) 865-6327 or at P.O. Box 358015, Pittsburgh, PA 15252-8015, Attention: Shareholder Correspondence, and request that action. Within 30 days after your request is received we will start sending you separate mailings. If, for any reason, you and members of your household are receiving multiple copies and you want to eliminate the duplications, please also contact Computershare and request that action. That request must be made by each person in the household entitled to receive the materials.

Multiple stockholders live in my household and together we received only one copy of this year's annual report and Proxy Statement. How can I obtain my own separate copy of those documents for the Annual Meeting in May?

You may pick up copies in person at the Annual Meeting or download them from our Internet website, www.AdvanceAutoParts.com (click on the homepage link to 2012 Annual Meeting materials). If you want copies mailed to you and you are a beneficial owner, you must request them from your broker, bank, or other nominee. If you want copies mailed to you and you are a stockholder of record, we will mail them promptly if you request them from our corporate office by phone at (540) 561-6444 or by mail to 5008 Airport Road, Roanoke, VA 24102, Attention: Investor Relations. We cannot guarantee you will receive mailed copies before the Annual Meeting.

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

We plan to announce preliminary voting results at the Annual Meeting and publish final results in a Report on Form 8-K within four business days following the Annual Meeting.

What is the deadline for consideration of stockholder proposals or director nominations for the 2013 annual meeting of stockholders?

If you are a stockholder and you want to present a proposal at the 2013 annual meeting and have it included in our proxy statement for that meeting, you must submit the proposal in writing at our offices at 5008 Airport Road, Roanoke, Virginia 24012, Attention: Corporate Secretary, on or before December 17, 2012. Applicable Securities and Exchange Commission ("SEC") rules and regulations govern the submission of stockholder proposals and our consideration of them for inclusion in next year's proxy statement.

If you want to present a proposal at the 2013 annual meeting (but not have the proposal included in our proxy statement) or to nominate a person for election as a director, you must comply with the requirements set forth in our by-laws. Our by-laws require, among other things, that our corporate secretary receive written notice from the record holder of intent to present such proposal or nomination no less than 120 days and no more than 150 days prior to the first anniversary of the date of the preceding year's annual meeting. Therefore, we must receive notice of such proposal no earlier than December 16, 2012, and no later than January 15, 2013. The notice must contain the information required by our by-laws. You may obtain a print copy of our by-laws by submitting a request to: Advance Auto Parts, 5008 Airport Road, Roanoke, Virginia 24012, Attention: Corporate Secretary. Our by-laws are also available on our website at www.AdvanceAutoParts.com. Management may vote proxies in its discretion on any matter at the 2013 annual meeting if we do not receive notice of the matter within the time frame described in this paragraph. In addition, our Chair or any other person presiding at the meeting may exclude any matter that is not properly presented in accordance with these requirements.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

At the Annual Meeting, you will vote to elect as directors the ten nominees listed below to serve until our 2013 Annual Meeting of stockholders or until their respective successors are elected and qualified. Our Board has nominated John F. Bergstrom, John C. Brouillard, Fiona P. Dias, Frances X. Frei, Darren R. Jackson, William S. Oglesby, J. Paul Raines, Gilbert T. Ray, Carlos A. Saladrigas and Jimmie L. Wade for election as directors. All of the nominees are current members of our Board. Each nominee has consented to being named in this Proxy Statement as a nominee and has agreed to serve as a director if elected. None of the nominees to our Board has any family relationship with any other nominee or with any of our executive officers. In the normal course of its deliberations, our Board may decide at a later time to add one or more directors who possess skills and experience that may be beneficial to our Board and our Company.

The persons named as Proxies in the accompanying form of proxy have advised us that at the Annual Meeting, unless otherwise directed, they intend to vote the shares covered by the proxies FOR the election of the nominees named above. If one or more of the nominees are unable to serve, or for good cause will not serve, the persons named as Proxies may vote for the election of any substitute nominees that our Board may propose. The persons named as Proxies may not vote for a greater number of persons than the number of nominees named above.

Nominees for Election to Our Board

The following table provides information about our nominees for director as of the Record Date, March 21, 2012.

Name	Age	Position
John F. Bergstrom (2)(3)	65	Director
John C. Brouillard(1)(4)	63	Chair
Fiona P. Dias(2)(3)	46	Director
Frances X. Frei(2)(4)	48	Director
Darren R. Jackson	47	Director, President and Chief Executive Officer
William S. Oglesby(3)	52	Director
J. Paul Raines(2)	47	Director
Gilbert T. Ray(1)(4)	67	Director
Carlos A. Saladrigas(1)(3)	63	Director
Jimmie L. Wade(3)	57	Director

(1) Member of Audit Committee
(2) Member of Compensation Committee
(3) Member of Finance Committee
(4) Member of Nominating and Corporate Governance Committee

Mr. Bergstrom, Director, became a member of our Board in May 2008. Mr. Bergstrom is the Chairman and Chief Executive Officer of Bergstrom Corporation, which is one of the top 50 automobile dealership groups in America. Mr. Bergstrom has served in his current role at Bergstrom Corporation for the past five years. Mr. Bergstrom has served as a director of Associated Banc-Corp, a diversified bank holding company, since December 2010; Kimberly-Clark Corporation, a global health and hygiene company, since 1987; Wisconsin Energy Corporation, a diversified energy company, since 1987; and Midwest Airlines, a passenger airline company, from 1993 to July 2009.

7

Bergstrom Corporation has been cited as the number one quality automotive dealer in the country and highlighted for its focus on outstanding customer service. With over 35 years of experience in automotive sales, service and parts management in an organization representing all major automotive manufacturers that distribute cars in the United States, Mr. Bergstrom brings a unique and valuable point of view to our Board. In addition, as a result of his service as a director of several other public companies, including membership on the compensation committee of Wisconsin Energy, he is in a position to share with the Board his experience with governance issues facing public companies.

Mr. Brouillard, Chair, became a member of our Board in May 2004 and was appointed Lead Director on February 14, 2007. Mr. Brouillard served as the interim Chair, President and Chief Executive Officer of the Company from May 2007 until January 2008, when he became the non-executive Chair of the Board. Mr. Brouillard retired as Chief Administrative and Financial Officer of H.E. Butt Grocery Company, a regional food retailer, in June 2005, a position that he had held since February 1991. From 1977 to 1991, Mr. Brouillard held various positions with Hills Department Stores, a discount department store company, including serving as President of that company. Mr. Brouillard also served as a director of Eddie Bauer Holdings, Inc., a multi-channel retailer, from June 2005 to May 2009.

Mr. Brouillard's background as a chief administrative and financial officer with a grocery retail company recognized for outstanding customer service provides him with strong insights into the types of management and financial issues that face companies in the retail sector. After having served on our Board for over seven years, including three years as the independent Board Chair and eight months as the interim Chief Executive Officer of the Company, Mr. Brouillard is uniquely situated to understand the inner workings of Advance's Board and management processes. His considerable experience in finance and accounting matters are particularly valuable to the deliberations of the Audit Committee, and his past service on the board of another public company has strengthened his understanding of the governance concerns facing public companies.

Ms. Dias, Director, became a member of our Board in September 2009. Ms. Dias is currently Chief Strategy Officer of ShopRunner, an online shopping service, and has held this position since August 2011. Previously she was Executive Vice President, Strategy & Marketing, of GSI Commerce, Inc., a provider of e-commerce and interactive marketing services, from February 2007 to June 2011. Ms. Dias also served as Executive Vice President and Chief Marketing Officer at Circuit City Stores, Inc., a specialty retailer of consumer electronics, from May 2005 to August 2006 and held Senior Vice President positions at Circuit City from November 2000 to April 2005. Prior to 2000, Ms. Dias held senior marketing positions with PepsiCo, Inc., Pennzoil-Quaker State Company and The Procter & Gamble Company. Ms. Dias has served as a director of Choice Hotels, Inc., a hotel franchisor, since 2004; and as a director of Lifetime Brands, Inc., a designer, developer and marketer of nationally branded consumer products, from November 2006 to September 2007.

Ms. Dias possesses extensive experience in marketing and managing consumer and retail brands. Her experience with developing, implementing and assessing marketing plans and initiatives allows the Board to benefit from her marketing expertise. In addition, Ms. Dias' e-commerce and digital marketing experience with a broad spectrum of brands aligns well with the Board's review and assessment of the Company's multi-channel strategies. Her position as a director of other public companies, including membership on the compensation committee of Choice Hotels, also enables her to share with the Board her experience with governance issues facing public companies.

Professor Frei, Director, became a member of our Board in December 2009. She has been UPS Foundation Professor of Service Management at Harvard Business School since July 2009. As Chair of the MBA Required Curriculum, Professor Frei is also helping to transform the student experience at Harvard Business School. Serving as Course Head, she is leading the school's innovative FIELD (Field Immersion Experience for Leadership Development) Method Course, which is Harvard Business School's new companion to the case method. Previously, she served at the Harvard Business School as Associate Professor from July 2003 to July 2009 and as Assistant Professor from July 1998 to July 2003.

As a result of her education and experience in the area of organizational excellence, Professor Frei provides valuable insights on the strategic direction of the Company. As Harvard Business School's resident expert on service management, Professor Frei has focused her scholarship and teaching on helping leaders to compete on the basis of excellence. Her ideas have shaped the strategies and operations of the world's most competitive companies. She is a leading authority on designing, leading and scaling exceptional service firms. Professor Frei's study of the world's best service companies is reported in her recently published book, Uncommon Service: How to Win by Putting Customers at the Core of Your Business. Her work on leadership, "Stop Holding Yourself Back," was published in the January 2011 edition of the Harvard Business Review.

Mr. Jackson, Director, President and Chief Executive Officer, became a member of our Board in July 2004. Mr. Jackson became the President and Chief Executive Officer on January 1, 2012, having previously served as President and Chief Executive Officer from January 7, 2008 to January 2009 and as Chief Executive Officer from January 27, 2009. Prior to joining us, Mr. Jackson served in various executive positions with Best Buy Co., Inc., a specialty retailer of consumer electronics, office products, appliances and software, ultimately serving from July 2007 to December 2007 as Executive Vice President of Customer Operating Groups. He joined Best Buy in 2000 and was appointed as its Executive Vice President-Finance and Chief Financial Officer in February of 2001. Prior to 2000, he served as Vice President and Chief Financial Officer of Nordstrom, Inc., Full-line Stores, a fashion specialty retailer, and held various senior positions including Chief Financial Officer of Carson Pirie Scott & Company, a regional department store company. He began his career at KPMG. Mr. Jackson serves as Chairman of the Board of Trustees at Marquette University.

Mr. Jackson has served as a member of our Board for over seven years and as the Company's Chief Executive Officer for over four years. Mr. Jackson's experience in strategic transformation, customer service and high growth with large retail companies and his experience in guiding the Company through its strategic transformation provide him with unique insights into the challenges and opportunities of overseeing the operations and management of the Company.

Mr. Oglesby, Director, became a member of our Board in December 2004. Mr. Oglesby is currently Senior Managing Director for The Blackstone Group, L.P., a global investment and advisory firm, and has held this position since April 2004. Mr. Oglesby has over 30 years of investment banking experience as a result of holding managing director positions with Credit Suisse First Boston; Donaldson Lufkin & Jenrette; and Kidder, Peabody & Co.

Mr. Oglesby has served on our Board for over seven years. With his broad experience in the investment banking business, Mr. Oglesby is uniquely equipped to provide the Board with insights into capitalization strategies, capital markets mechanics and strategic expansion opportunities.

Mr. Raines, Director, became a member of our Board in February 2010. Mr. Raines is currently the Chief Executive Officer for GameStop Corporation, a video game and entertainment software retailer, and has held that position since June 2010. From September 2008 to June 2010 he served as Chief Operation Officer of GameStop. Previously, Mr. Raines served as the Executive Vice President - U.S. Stores of The Home Depot, Inc., a home improvement specialty retailer, from April 2007 to August 2008. Prior to that time, he served in various management roles with The Home Depot, Inc., including as President - Southern Division from February 2005 to April 2007; as Vice President - Florida from

April 2003 through January 2005; as Vice President - Store Operations from January 2002 through April 2003; and as Director of Labor Management from January 2000 through January 2002.

Mr. Raines brings to the Board extensive experience in the strategic, operational and merchandising aspects of retail businesses. He also has broad international experience in Latin America, Europe and Asia. The Board draws on Mr. Raines' insights gained from his experience and expertise in the areas of retail strategy, store operations, customer service, merchandising, manufacturing, marketing, loss prevention, real estate, supply chain and global sourcing.

Mr. Ray, Director, became a member of our Board in December 2002. Mr. Ray was a partner of the law firm of O'Melveny & Myers LLP until his retirement in February 2000. Mr. Ray has been a member of the boards of Towers Watson & Co., formerly Wyatt Worldwide, Inc., a professional services company, since 2000; Dine Equity, Inc., the restaurant holding company of Applebee's and IHOP, since 2004; and Diamond Rock Hospitality Company, a lodging-focused real estate company, since 2004.

Mr. Ray has served on our Board for over nine years and provides institutional knowledge and continuity to our Board. His experience as an attorney allows Mr. Ray to provide guidance to the Company on legal and fiduciary matters. He has extensive experience with conventional corporate and tax-exempt transactions, as well as international finance. In addition, Mr. Ray's service as a director on the boards of other public companies provides the Company with valuable insights on corporate governance issues that face the Board and the Company.

Mr. Saladrigas, Director, became a member of our Board in May 2003. Mr. Saladrigas has been the Chairman and Chief Executive Officer of Regis HR Group, a Professional Employee Organization, since July 2009. Also, Mr. Saladrigas founded and has been the Chairman and Chief Executive of Concordia Behavioral Health, a privately held managed behavioral health care organization, since January 2011. Mr. Saladrigas served as Chairman of the Premier American Bank in Miami, Florida from September 2001 until June 2007. Mr. Saladrigas served as the Vice Chairman of Premier American Bank until his resignation in July 2008. A receiver was appointed for Premier American Bank in January 2010. From November 1984 to May 2002, he was the Chief Executive Officer of ADP TotalSource (previously The Vincam Group, Inc.), a human resources outsourcing company that provides human resource functions to small and mid-sized businesses. Mr. Saladrigas has served as a director of Progress Energy, Inc., an energy utility company, since 2001; Carolina Power & Light Company, an energy utility company, since 2001; and Florida Progress Corporation, a diversified holding company whose primary businesses are fuel supply and power, since 2001. From June 2006 to April 2009, Mr. Saladrigas served as a director of MBF Healthcare Acquisition Corporation, an acquisition company focused in the healthcare industry. He also serves as a member of the Latino/Hispanic Advisory Board for PepsiCo.

Mr. Saladrigas has served on our Board for over eight years. He provides stability and continuity to the Board as well as valuable leadership related to his experience in financial management and as a human resources professional. He has been designated by the Board as an Audit Committee financial expert consistent with SEC regulations. Mr. Saladrigas provides the Board with relevant insights into the Latino/Hispanic segment of the Company's customer base.

Mr. Wade, Director and former President, became a member of our Board on September 15, 2011. Mr. Wade served as our President from January 2009 to January 1, 2012 and from October 1999 to May 2005. He continues to provide strategic leadership to the Company and serves as the Chairman of Autopart International, Inc., a subsidiary of the Company. Mr. Wade joined us in February 1994 and has held several key senior executive roles with the Company including Executive Vice President from May 2005 until December 2008 and as Chief Financial Officer from March 2000 through August 2003. Prior to 1993, Mr. Wade was Vice President, Finance and Operations of S.H. Heironimus, Inc., a regional department store company. Mr. Wade has served as a director of Lumber Liquidators, a specialty retailer of hardwood flooring, since September 1, 2011, and he also serves on numerous non-profit boards.

Mr. Wade has 18 years of experience with the Company in various business, finance and strategic leadership roles and has broad expertise and knowledge of the automotive aftermarket industry, as well as experience in retail finance and operations prior to joining the Company in 1994. Through his experience, he has gained and developed extensive business, finance, distribution, marketing and leadership skills. Further, he possesses an understanding of strategic business planning, risk assessment and store operations that makes him uniquely suited to serve as a member of the Board.

THE BOARD OF DIRECTORS RECOMMENDS
A VOTE FOR EACH OF OUR BOARD’S NOMINEES.

CORPORATE GOVERNANCE

Overview

Our Company believes that good corporate governance practices reflect our values and support our strong strategic and financial performance. The compass of our corporate governance practices can be found in our by-laws, our Guidelines on Significant Governance Issues and our Code of Ethics and Business Conduct, which were adopted by our Board to guide our Company, our Board and our employees ("Team Members"). Our by-laws provide that in an uncontested election, directors must receive a majority of the votes cast at the Annual Meeting for the election of directors. Each standing committee of the Board of Directors has a charter, which can be found at www.AdvanceAutoParts.com, that spells out the committee's roles and responsibilities assigned to it by the Board. In addition, the Board has established policies and procedures that address matters such as chief executive officer succession planning, transactions with related persons, risk oversight, communications with the Board by stockholders and other interested parties, as well as the independence and qualifications of our directors. The following pages provide insights into how the Board has implemented these policies and procedures to benefit our Company and our stockholders.

Guidelines on Significant Governance Issues

The responsibility of our Board is to review, approve and regularly monitor the effectiveness of our fundamental operating, financial and other business plans, as well as our policies and decisions, including the execution of our strategies and objectives. Accordingly, our Board has adopted guidelines on the following significant governance issues:

- the structure of our Board, including, among other things, the size, mix of independent and non-independent members, membership criteria, term of service, compensation and assessment of performance of our Board;
- Board procedural matters, including, among other things, selection of the chair of the Board, Board meetings, Board communications, retention of counsel and advisors and our expectations regarding the performance of our directors;
- committee matters, including, among other things, the types of committees, charters of committees, independence of committee members, chairs of committees, service of committee members, committee agendas and committee minutes and reports;
- chief executive officer evaluation, management development and succession planning;
- codes of conduct; and
- other matters, including charitable contributions, use of the corporate airplane, auditor services, Board access to management and interaction with third parties, directors and officers insurance and the indemnification/limitation of liability of directors, our policy prohibiting Company loans to our executive officers and directors, and confidential stockholder voting.

A complete copy of our Guidelines on Significant Governance Issues is available on our website at www.AdvanceAutoParts.com under the Investor Relations section.

Director Independence

Our Board, after consultation with and upon the recommendation of the Nominating and Corporate Governance Committee, determined that Messrs. Bergstrom, Brouillard, Oglesby, Raines, Ray and Saladrigas, Ms. Dias and Professor Frei are each “independent” directors under the listing standards of the New York Stock Exchange ("NYSE"), because each of these directors: (1) has no material relationship with us or our subsidiaries, either directly or indirectly as a partner, stockholder or officer of an organization that has a relationship with us or our subsidiaries and (2) satisfies the "bright line independence" criteria set forth in Section 303A.02(b) of the NYSE's listing standards. In addition, based on such standards, the Board determined that Mr. Jackson is not independent because he is our President and Chief Executive Officer and that Mr. Wade is not independent because he is currently employed by the Company. The Board made this determination after assessing the issue of materiality of any relationship not merely from the standpoint of each director or nominee, but also from that of persons or organizations with which the director or nominee may have an affiliation, based upon all facts and circumstances known to the Board, including, among other things, a review of questionnaires submitted by these directors and a review of a recent resume or biography of each director. Our Board reviews each director's status under this definition annually with the assistance of the Nominating and Corporate Governance Committee. Each director is required to keep the Nominating and Corporate Governance Committee fully and promptly informed as to any developments that might affect his or her independence.

Meetings of Independent Directors

During 2011, the independent directors on our Board met a total of four times. During 2011, these meetings were presided over by Mr. Brouillard, the non-executive Chair of the Board. For 2012, our independent directors are scheduled to meet separately in conjunction with each of the four scheduled non-telephonic meetings of the Board. Mr. Brouillard is expected to preside over these meetings during 2012.

Board Leadership Structure

Our Guidelines on Significant Governance Issues and by-laws allow the Board to combine or separate the roles of the Chair of the Board and the Chief Executive Officer. Immediately prior to Mr. Jackson's appointment as President and Chief Executive Officer, Mr. Brouillard served as the Company's interim Chair, President and Chief Executive Officer. At the time of Mr. Jackson's appointment, his prior experience had primarily been in financial management and leadership roles at various retail companies. The Board decided to retain Mr. Brouillard as the independent Chair of the Board in order to provide Mr. Jackson with an opportunity to lead the Company's management with the support and guidance of an experienced chief executive officer serving in the role of the independent Board Chair. The Board regularly considers whether to maintain the separation of the roles of Chair and Chief Executive Officer. The Board believes that Mr. Brouillard has continued to serve a valuable role in supporting Mr. Jackson and providing leadership to the Board as a whole and has decided to maintain the separation of those roles at this time. In the event that the Board chooses to combine these roles, the Company's governance guidelines provide for the selection of an independent lead director. The responsibilities of the independent Chair or independent lead director include presiding over meetings of the Board or of the independent directors and participating in development of the Board's agenda, as well as facilitating the discussions and interactions of the Board to ensure that all directors' viewpoints are heard and considered.

Stockholder and Interested Party Communications with our Board

Communications with our Board Generally. Stockholders who desire to communicate with our Board, or with a specific director, including on an anonymous or confidential basis, may do so by delivering a written communication to our Board, c/o Advance Auto Parts, Inc., 5008 Airport Road, Roanoke, Virginia 24012, Attention: General Counsel. The general counsel will not edit or modify any such communication received and will forward each such communication to the appropriate director or directors, as specified in the communication. If the envelope containing a communication that a stockholder wishes to be confidential is conspicuously marked "Confidential," the general counsel will not open the communication. Communications will be forwarded by the general counsel to our Board or any specified directors on a bi-monthly basis. The general counsel will ensure the timely delivery of time sensitive communications to the extent such communication indicates time sensitivity. In addition, we have a policy that each of our directors should make every reasonable effort to attend each annual meeting of stockholders. All directors were in attendance at our 2011 annual meeting of stockholders.

Interested Party Communications with our Independent Directors, our Non-Management Directors or our Board Chair. Any interested party, including stockholders, who desires to communicate directly with one or more of the independent directors, our non-management directors as a group or our Board Chair, including on an anonymous or confidential basis, may do so by delivering a written communication to the independent directors, the non-management directors as a group or to our Board Chair, c/o Advance Auto Parts, Inc., 5008 Airport Road, Roanoke, Virginia 24012, Attention: General Counsel. The general counsel will not open a communication that is addressed to one or more of our independent directors, our non-management directors as a group or our Board Chair and will forward each such communication to the appropriate individual director or group of directors, as specified in the communication. Such communications will not be disclosed to the non-independent or management members of our Board or to management unless so instructed by the independent or non-management directors. Communications will be forwarded by the general counsel on a bi-monthly basis. The general counsel will ensure the timely delivery of time sensitive communications to the extent such communication indicates time sensitivity.

Nominations for Directors

Identifying Director Candidates. The Nominating and Corporate Governance Committee is responsible for leading the search for and evaluating qualified individuals to become nominees for election as directors. The Committee is authorized to retain a search firm to assist in identifying, screening and attracting director candidates. During 2011 the Committee did not utilize the services of an executive search firm to assist in identifying potential director candidates. After a director candidate has been identified, the Committee evaluates each candidate for director within the context of the needs of the Board in its composition as a whole. The Committee considers such factors as the candidate's business experience, skills, independence, judgment and ability and willingness to commit sufficient time and attention to the activities of the Board. At a minimum, committee-recommended candidates for nomination must possess the highest personal and professional ethics, integrity and values, and commit to representing the long-term interests of our stockholders.

In addition to determining whether a candidate for director possesses the qualifications and experience that are a prerequisite for nomination, the Nominating and Corporate Governance Committee considers whether a candidate's background and experience would complement the skills and experience of the existing Board members. The Nominating and Corporate Governance Committee also considers whether the nominee would likely provide a diverse viewpoint and actively and constructively participate in the Board's discourse and deliberations. The Board has not adopted a formal policy with regard to diversity (as to gender, ethnic background and experience) in the composition of the Board although the Nominating and Corporate Governance Committee strives to compose a Board that reflects sensitivity to the need for an appreciation of such diversity.

Stockholder Recommendations for Director Candidates. The Nominating and Corporate Governance Committee will consider stockholder suggestions for nominees for directors. Any stockholder who desires to recommend a candidate for director must submit the recommendation in writing and follow the procedures set forth in our by-laws. The by-laws require that a stockholder's nomination be received by the corporate secretary not less than 120 days nor more than 150 days prior to the first anniversary of the date of the preceding year's annual meeting. The notice should include the following information about the proposed nominee: name, age, business and residence addresses, principal occupation or employment, the number of shares of Company stock owned by the nominee and any information that may be required by the SEC's regulations. In addition, the stockholder providing the notice should provide his or her name and address as they appear on the Company's books, the number and type of shares or other equitable interests that are beneficially owned by the stockholder and additional information required by the Company's by-laws. The Committee does not evaluate any candidate for nomination as a director any differently solely because the candidate was recommended by a stockholder. You may obtain a copy of our by-laws by submitting a request to: Advance Auto Parts, Inc., 5008 Airport Road, Roanoke, Virginia 24012, Attention: Corporate Secretary. Our by-laws also are available on our website at www.AdvanceAutoParts.com under the Investor Relations section.

Code of Ethics and Business Conduct

We expect and require all of our Team Members, our officers and our directors, and any parties with whom we do business to conduct themselves in accordance with the highest ethical standards. Accordingly, we have adopted a Code of Ethics and Business Conduct, which outlines our commitment to, and expectations for, honest and ethical conduct by all of these persons and parties in their business dealings. A complete copy of our Code of Ethics and Business Conduct is available on our website at www.AdvanceAutoParts.com under the Investor Relations section.

Code of Ethics for Finance Professionals

We have also adopted a Code of Ethics for Finance Professionals to promote and provide for ethical conduct by our finance professionals, as well as for full, fair and accurate financial management and reporting. Our finance professionals include our chief executive officer, chief financial officer, controller and any other person performing similar functions. We expect all of these finance professionals to act in accordance with the highest standards of professional integrity, to provide full and accurate disclosure in any public communications as well as reports and other documents filed with the SEC and other regulators, to comply with all applicable laws, rules and regulations and to deter wrongdoing. Our Code of Ethics for Finance Professionals is intended to supplement our Code of Ethics and Business Conduct. A complete copy of the Code of Ethics for Finance Professionals is available on our website at www.AdvanceAutoParts.com under the Investor Relations section.

Related Party Transactions

Pursuant to our Code of Ethics and Business Conduct and the Board's policy with respect to related party transactions, officers and directors are required to disclose to the Chair of the Nominating and Corporate Governance Committee of the Board or to our general counsel any transaction or relationship that may create an actual or perceived conflict of interest. Pursuant to the Board's policy, our general counsel's office reviews such transactions or relationships and advises the Nominating and Corporate Governance Committee in the event that a transaction or relationship is determined to be a related party transaction. The Nominating and Corporate Governance Committee will then review the transaction in light of the relevant facts and circumstances and make a determination of whether to ratify or approve the transaction. In the case of a transaction involving a director, the Nominating and Corporate Governance Committee would also review the transaction to determine whether it might have an effect on the independence of the director. The Nominating and Corporate Governance Committee reports its conclusions and recommendations to the Board for its consideration.

In addition, our Guidelines on Significant Governance Issues require directors to disclose to the Board (or Audit Committee) any interest that he or she has in any contract or transaction that is being considered by the Board (or Audit Committee) for approval. After making such a disclosure and responding to any questions the Board may have, the interested director is expected to abstain from voting on the matter and leave the meeting while the remaining directors discuss and vote on such matter.

On an annual basis, each director and executive officer is obligated to complete a Director and Officer Questionnaire which requires disclosure of any transactions with the Company in which the director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest. The annual Director and Officer Questionnaire is prepared and distributed by our general counsel's office, and each director or executive officer returns the completed questionnaire to the general counsel's office for review. Upon learning that a related party transaction may exist, the general counsel's office reviews the transaction or relationship and advises the Nominating and Corporate Governance Committee in the event that the transaction or relationship is determined to be a related party transaction. The Nominating and Corporate Governance Committee will then review the transaction in light of the relevant facts and circumstances and make a determination of whether to ratify or approve the transaction. In the case of a transaction involving a director, the Nominating and Corporate Governance Committee would also review the transaction to determine whether it might have an effect on the independence of the director. The Nominating and Corporate Governance Committee reports its conclusions and recommendations to the Board for its consideration. Any related party transactions with directors or executive officers that have been identified through the processes described above are disclosed consistent with applicable rules and regulations. The Company has identified no related party transactions to report for the last fiscal year.

Succession Planning

In light of the critical importance of executive leadership to the Company's success and consistent with the Company's Guidelines for Significant Governance Issues, the Board has adopted a chief executive officer succession planning process that is led by the Compensation Committee. The Compensation Committee, working in consultation with the Nominating and Corporate Governance Committee, is charged with the responsibility of developing a process for identifying and evaluating candidates to succeed the chief executive officer and to report annually to the Board on the status of the succession plan, including issues related to the preparedness for the possibility of an emergency situation involving senior management and assessment of the long-term growth and development of the senior management team.

MEETINGS AND COMMITTEES OF THE BOARD

The Board

Each director is expected to make every reasonable effort to attend each meeting of the Board and any committee of which the director is a member and to be reasonably available to management and the other directors between meetings. Our Board met five times during 2011. Each incumbent director attended 75 percent or more of the total number of meetings of the Board and meetings of the committees of the Board on which he or she served.

Committees of the Board

We currently have an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, each of which is comprised of independent directors in accordance with the listing standards of the NYSE. In addition, we have a Finance Committee. In 2011, the Audit Committee met eleven times, the Compensation Committee met six times, the Finance Committee met five times and the Nominating and Corporate Governance Committee met four times. The following table sets forth the names of each current committee member and the primary responsibilities of each committee.

Name of Committee and Members	Primary Responsibilities
Audit Carlos A. Saladrigas (Chair) John C. Brouillard Gilbert T. Ray	• monitors the integrity of our financial statements, reporting processes, internal controls, risk management and legal and regulatory compliance; • selects, determines the compensation of, evaluates and, when appropriate, replaces our independent registered public accounting firm; • pre-approves all audit and permitted non-audit services to be performed by our independent registered public accounting firm; • monitors the qualifications, independence and performance of our independent registered public accounting firm; • monitors and reviews applicable enterprise risks identified as part of our enterprise risk management program; and • oversees our internal audit function.
Compensation J. Paul Raines (Chair) John F. Bergstrom Fiona P. Dias Frances X. Frei	• reviews and approves our executive compensation philosophy; • annually reviews and approves corporate goals and objectives relevant to the compensation of the CEO and evaluates the CEO's performance in light of these goals; • determines the compensation of our executive officers and approves compensation for key members of management; • oversees our incentive and equity-based compensation plans; •

oversees development and implementation of executive succession plans, including identifying the CEO's successor and reporting annually to the Board;

- reviews and approves our peer companies and data sources for purposes of evaluating our compensation competitiveness and establishing the appropriate competitive positioning of the levels and mix of compensation elements;
- reviews compensation-related risks; and
- reviews applicable enterprise risks identified as part of our enterprise risk management program as they relate to our human resources, compensation and employment programs and practices.

Name of Committee and Members	Primary Responsibilities
Finance William S. Oglesby (Chair) John F. Bergstrom Fiona P. Dias Carlos A. Saladrigas Jimmie L. Wade	• reviews and makes recommendations to the Board regarding our financial policies, including investment guidelines, deployment of capital and short-term and long-term financing; • reviews credit metrics, including debt ratios, debt levels and leverage ratios; • reviews all aspects of financial planning, cash uses and our expansion program; • reviews and recommends the annual financial plan to the Board; and • keeps apprised of applicable enterprise risks as part of the Company's enterprise risk management program as they relate to financial matters.
Nominating and Corporate Governance Gilbert T. Ray (Chair) John C. Brouillard Frances X. Frei	• assists the Board in identifying, evaluating and recommending candidates for election to the Board; • establishes procedures and provides oversight for evaluating the Board and management; • develops, recommends and reassesses our corporate governance guidelines; • evaluates the size, structure and composition of the Board and its committees; and • keeps apprised of applicable enterprise risks as part of the Company's enterprise risk management program as they relate to corporate governance matters.

Our Board has adopted written charters for each committee setting forth the roles and responsibilities of each committee. Each of the charters is available on our website at www.AdvanceAutoParts.com under the Investor Relations section.

Board's Role in Risk Oversight

As part of its responsibility for the oversight of the Company's financial matters and regulatory compliance, the Audit Committee is charged with discussing the guidelines and policies with respect to risk assessment and risk management. The Company's senior internal audit professional, who reports to the Audit Committee, has developed an enterprise risk management ("ERM") framework through which management has identified the key areas of risk that face our Company. After reviewing the enterprise risks identified by management in consultation with senior management, the Audit Committee may approve management's recommendation to assign certain risk areas for oversight by appropriate committees of the Board or by the full Board. The Board has determined that the respective Board committees will review applicable risk areas at least quarterly. The Company has used elements of the Committee of Sponsoring Organizations, or COSO, ERM framework to build a tailored approach to risk management that fits the culture and risk environment of the Company. The Company's senior internal audit professional also reviews risk areas with senior management on a regular basis.

Aligning Stockholder Interests and Compensation Risk Mitigation

We have reviewed all of our compensation programs and found none that would be reasonably likely to have a materially adverse effect on the Company. Our performance-based executive compensation program, as described more fully in the Compensation Discussion and Analysis ("CD&A") section of this Proxy Statement, coupled with our stock ownership guidelines, aligns the interests of our executives with stockholders by encouraging long-term superior performance without encouraging excessive or unnecessary risk-taking. Our long-standing compensation philosophy discussed in the CD&A is a key component of our history of consistent growth, which demonstrates an alignment of the interests of participants and stockholders and rewards each with increased value over the longer term. As shown in the "Total Compensation Mix" table, the compensation of our executives is primarily based on performance over a long-term period. We believe the performance-based vesting of our SARs and restricted stock drives long-term decision making and mitigates adverse risk-taking that may occur due to year-over-year performance measurements, and rewards growth over the long term. The Compensation

Committee, with the guidance and assistance of its independent compensation consultant, reviews and approves compensation components for all named executive officers and other senior executives. Annual incentives are reviewed each year, and payments are limited and subject to Compensation Committee discretion. The bonus plans for other Team Members are linked to financial, customer or operating measures. Management regularly reviews and audits the Company's bonus plans to ensure short-term incentives are appropriately linked to business outcomes, and the results of the audits are regularly reported to the Compensation Committee.

Compensation Committee Interlocks and Insider Participation

None of the members who served on our Compensation Committee at any time during fiscal 2011 had any relationship with the Company requiring disclosure under the section of this Proxy Statement entitled "Related Party Transactions." Also, none of our executive officers serves, or in the past fiscal year has served, as a member of the compensation committee (or other board committee performing equivalent functions, or in the absence of any such committee, the board of directors) or the board of directors of any entity that has one or more of its executive officers serving on our Compensation Committee or Board.

NON-MANAGEMENT DIRECTOR COMPENSATION

Under our director compensation program, each non-management director receives annual compensation that is comprised of a combination of cash and equity-based compensation. Management directors do not receive any additional compensation for services as a director. Non-management directors receive an annual retainer of $50,000 and all additional applicable retainers or fees as set forth in the following paragraph.

Directors who chair Board committees receive additional retainer amounts annually for their committee chair responsibilities. The Audit Committee chair receives $20,000. Each chair of the other Board committees receives $10,000. The Board chair receives an additional $100,000 retainer.

Each non-management director may elect to receive all or a portion of his or her annual retainer on a deferred basis in the form of deferred stock units, or DSUs. Each DSU is equivalent to one share of our common stock. Dividends paid by the Company are credited toward the purchase of additional DSUs. DSUs are payable in the form of common stock to participating directors over a specified period of time as elected by the participating director, or whenever their Board service ends, whichever is sooner.

In addition, each non-management director receives long-term equity incentives valued at $120,000 per year. The long-term incentives are awarded annually in the form of DSUs. Directors' annual stock-based compensation is granted to them shortly after the date of the annual stockholder meeting. Board members who are appointed at any time other than at the annual meeting receive a prorated DSU award with a grant value based upon the number of months from their election date until the next annual stockholder meeting. The long-term equity incentives are delivered in two equal portions of DSUs, each with different schedules for conversion into common shares. The first type of DSUs is fully vested after one year of board service and is distributed in common shares after the director's service on the board ends. The second type of DSUs is fully vested after one year of board service and is distributed in common shares after three years. Directors may choose to defer receipt of the second type of DSUs beyond the initial three years. In May 2011, each non-management director received long-term incentives valued at $120,000, which were granted in the form of 1,905 DSUs.

2011 Director Summary Compensation Table

Information provided in the following table reflects the compensation delivered to non-management directors for our last fiscal year:

Name	Fees Earned or Paid in Cash (a) ($)	Stock Awards (b) ($)	Total ($)
John F. Bergstrom	$50,000	$120,000	$170,000
John C. Brouillard	150,000	120,000	270,000
Fiona P. Dias	50,000	120,000	170,000
Frances X. Frei	50,000	120,000	170,000
William S. Oglesby	60,000	120,000	180,000
J. Paul Raines	60,000	120,000	180,000
Gilbert T. Ray	60,000	120,000	180,000
Carlos A. Saladrigas	70,000	120,000	190,000
Francesca M. Spinelli (c)	—	—	—

(a) Information includes paid or deferred board annual retainers and chair retainers during Fiscal 2011.

(b) Represents the grant date fair value of deferred stock units granted during Fiscal 2011. The grant date fair value is calculated using the closing price of the Company's stock on the date of grant. For additional information regarding the valuation assumptions of this award, refer to Note 19 of the Company's consolidated financial statements in the 2011 Form 10-K filed with the SEC on February 28, 2012. These amounts reflect the aggregate grant date fair value computed in accordance with ASC Topic 718, and do not correspond to the actual value that will be realized by the directors.

(c) Ms. Spinelli retired from board service in May 2011, and received no payments during the 2011 fiscal year.

Directors' Outstanding Equity Awards at 2011 Fiscal-Year End Table

The following table provides information about non-management directors' outstanding equity awards as of the end of our last fiscal year:

Name	Outstanding Stock Options and Stock Appreciation Rights (SARs)	Outstanding Deferred Stock Units
John F. Bergstrom	5,709	8,607
John C. Brouillard (a)	35,709	13,183
Fiona P. Dias	—	6,417
Frances X. Frei	—	6,388
William S. Oglesby	25,084	13,456
J. Paul Raines	—	5,880
Gilbert T. Ray	28,209	12,225
Carlos A. Saladrigas	28,209	12,011
Francesca M. Spinelli	—	2,564

(a) Outstanding stock options and SARs for Mr. Brouillard reflect stock incentives awarded to him during his tenure as our interim Chair, President, and Chief Executive Officer which continue to vest during his service as a director and will expire in the future according to the terms of the original long-term incentive agreements.

COMPENSATION COMMITTEE REPORT

Our Compensation Committee is comprised entirely of four independent directors who meet independence, experience and other qualification requirements of the NYSE listing standards, and the rules and regulations of the SEC. Mr. Raines is the chair of our Compensation Committee. The Compensation Committee operates under a written charter adopted by the Board. Our charter can be viewed on our website at www.AdvanceAutoParts.com under the Investor Relations section.

We have relied on management's representation that the compensation discussion and analysis presented in this Proxy Statement has been prepared with integrity, objectivity and in conformity with SEC regulations. Based upon our discussion with management, we recommended to the Board that the compensation discussion and analysis be included in this Proxy Statement.
THE COMPENSATION COMMITTEE
J. Paul Raines (Chair)
John F. Bergstrom
Fiona P. Dias
Frances X. Frei

COMPENSATION DISCUSSION AND ANALYSIS
Executive Summary
Advance Auto Parts is a customer-focused company that has a track record of consistently delivering value to our stockholders. Our management team's execution of customer-focused programs and services has made it possible to consistently grow stockholder value, achieving the accomplishments listed below in 2011, the most profitable year in our Company's history as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed with the SEC on February 28, 2012. The strong year-over-year results of some of the key financial metrics we use in evaluating the Company's performance for the purpose of making compensation decisions are set forth below:

- Total revenue grew 4.1 percent compared to 9.5 percent total revenue growth in Fiscal 2010.
- Fiscal 2011 comparable store sales increased 2.2 percent over Fiscal 2010 on top of 8.0 percent growth in Fiscal 2010.
- Earnings per share increased 29.4 percent over Fiscal 2010.
- Operating income grew 13.6 percent (or $80 million) to $665 million, as compared to Fiscal 2010.
- Total stockholder return was approximately 5.6 percent for Fiscal 2011.
- Economic Value Added ("EVA") increased by 25.7 percent (or $61 million) to $297 million, as compared to Fiscal 2010.[1]

The pay-for-performance philosophy of our executive compensation programs described in this Proxy Statement has played a significant role in our ability to drive strong financial results by enabling us to attract and retain a highly experienced and successful team to manage our business. Our pay programs strongly support our key business objectives and are aligned with the success of our stockholders. Accordingly, if our stockholder value declines, so does the compensation delivered in the form of equity to our executives. Further, as an executive's level of responsibility within our organization increases, so does the percentage of total compensation that we link to performance (see sections entitled "Compensation Philosophy and Objectives" and "Executive Compensation Components").

In 2011, our executive team managed our Company to another successful year. Our Company's strategies are designed to continue our long-standing tradition of delivering strong performance results for our stockholders and serving our customers and the communities in which we operate. We believe our executive compensation programs, as more fully described in this CD&A and accompanying tables contained in this Proxy Statement, are structured in the best manner possible to support our Company and grow our business profitably for many years, as well as to support our culture and the traditions that have guided us for nearly 80 years.

---

[1] EVA, formerly referred to by us as Economic Profit Added or EPA, is an objective calculation performed by an independent consultant on a comparable basis to our peer companies. We define EVA as net operating profit after taxes ("After-Tax Operating Earnings") less a charge for cost of capital as calculated on our total debt and equity ("Total Invested Capital"). For Fiscal 2011 and 2010, the calculation of our After-Tax Operating Earnings and Total Invested Capital can be found in our 4th Quarter earnings release which was filed as an exhibit to the Form 8-K filed with the SEC on February 16, 2012. Refer to the section of this Proxy Statement entitled “Long-Term Incentive Compensation” for further discussion of EVA as it relates to our long-term incentive program.

Summary of Fiscal 2011 Executive Officer Compensation Program

The following table summarizes the compensation elements provided for our named executive officers in Fiscal 2011, as well as the rationale for the key actions and decisions made by the Compensation Committee of the Board ("Committee") with respect to each element. Executives' compensation consisted primarily of the following components in addition to limited perquisites and the retirement, health and welfare plans and programs in which all of our full-time U.S. employees participate. More information is provided about each compensation element later in this CD&A.

Compensation Element	Key Features	Purpose	Fiscal 2011 Actions
Base Salary	• Fixed annual cash amount. • Base pay increases considered on a calendar year basis to align within the median range of our peer group (as described on pages 24 and 26 of this Proxy Statement.) Actual positioning varies to reflect each executive's skills, experience, time in job and contribution to our success.	• Provide a fixed amount of cash compensation to attract and retain talented executives. • Differentiate scope and complexity of executives' positions as well as individual performance over time.	• Base salary did not increase for the CEO but did increase for our named executive officers in 2011 compared to 2010 to reward their performance contribution to the Company's success and to improve alignment with competitive market levels.
Annual Incentive Plan ("AIP") Cash Incentive Award	• Performance-based variable pay is tied to achievement of key Company financial and operating objectives. Primary measures include: • Operating income growth • Market share growth • Customer satisfaction improvement • Individual AIP opportunities are expressed as a percent of base salary and can vary for executives based on their positions. Target AIP award opportunities are generally established so that total annual cash compensation (base salary plus target AIP) approximates the median of our peer group. The range of potential payouts is zero to 200 percent of target. • AIP amount is determined based on the results achieved as determined by the Committee after	• Motivate and reward achieving or exceeding Company and individual performance objectives, reinforcing pay-for-performance. • Align performance measures for named executive officers on key business objectives to lead the organization to achieve short-term financial and operational goals. • Ensure alignment of short-term and long-term strategies of the Company.	• In 2011, the target AIP award opportunity for the CEO was reduced from 200 percent of salary to 150 percent, shifting more compensation to long-term incentives. This change was made to more strongly align the CEO's compensation with our stockholders' interests through equity compensation. • Actual performance in 2011 resulted in AIP payments of approximately 57 percent of target for the named executive officers.

	evaluating Company performance against pre-established, short-term financial and operating goals. Performance of each individual named executive officer is evaluated against pre-established individual performance goals and the Company's values.		
Long-Term Incentive Compensation (Award value delivered through grants of SARs and Restricted Stock)	• Awards granted annually based on competitive market grant levels. • Awards to named executive officers are in the form of SARs (75 percent of the award value) and restricted stock (25 percent of the award value). • Time-based vesting: 50 percent of all awards vest in three approximately equal annual installments commencing on the first anniversary date of the grant based on continuing service. • Performance vesting: 50 percent of all awards are performance-based. The 50 percent (performance-based) portion of the award when added to the 50 percent (time-based) portion represents 100 percent of the target level award. The total number of SARs and shares of restricted stock awarded to named executive officers can increase up to a maximum of an additional 100 percent of the target level award if Company EVA performance meets or exceeds the EVA performance of 80 percent of our peer companies over a three-year performance period.	• Stock-based compensation links executive compensation directly to stockholder interests. • Multi-year vesting creates a strong retention mechanism and provides incentives for long-term creation of stockholder value. • Performance-based vesting provides a direct connection of potential stock value with executives' long-term goals to increase EVA more than our peer group companies. • Comparison of EVA performance with a peer group provides a clear market-based indication of our success relative to other companies.	• The 2011 target awards to the CEO and COO were reduced, reflecting changes in long-term incentive levels in our peer group. The CFO's 2011 target award increased by 6 percent to reflect the rising long-term incentive levels for the CFOs in our peer group. • For the 2012-2014 performance period, the performance-based vesting portion of the long-term incentive grants for our CEO, CFO and COO was increased from 25 percent to 50 percent of the target award and the time-based portion was reduced from 75 percent to 50 percent to create a stronger pay-for-performance alignment in the long-term incentive program. The maximum vesting amount that could be earned for achievement of maximum performance goals was increased to 200 percent of target from 150 percent in prior years to provide upside potential.

Compensation Decision Roles

The Committee has final approval on the determination of all compensation recommendations for our named executive officers and other executive officers, authorizes all awards under the Advance Auto Parts 2004 Long-Term Incentive Plan, as amended ("2004 LTIP"), recommends or reports its decisions to the Board and oversees the administration of the compensation programs for named and executive officers. Decisions regarding non-equity compensation of other employees are made by management. The chief executive officer annually reviews the performance of each named executive officer and other senior executive officers and makes recommendations with respect to salary adjustments and incentive amounts to the Committee. The Committee's annual review of the chief executive officer's performance includes feedback from the Board and members of the Company's senior management team. Management is responsible for developing and maintaining an effective compensation program throughout the Company. The Committee's charter lists the specific responsibilities of the Committee and can be found under the Investor Relations section of the Company's website at www.AdvanceAutoParts.com.

The Committee has engaged Frederic W. Cook & Co., Inc. ("Cook"), an independent consulting firm, to provide advice and assistance to the Committee when making compensation decisions for our named executive officers, as well as for other senior executives. Cook reports directly to the Committee, and all services provided by Cook are provided on behalf of the Committee. Cook provides information regarding market compensation levels and practices, assists the Committee in the review and evaluation of such compensation levels and practices and advises the Committee regarding compensation decisions, particularly with respect to the compensation of our chief executive officer. Cook also provides information and advice on non-employee director compensation. A principal of Cook attends meetings of the Committee, as requested, and communicates with the Chair of the Compensation Committee, as necessary or advisable, between meetings. Cook does not provide any non-executive compensation services to us directly or indirectly through affiliates. In 2011, Cook did not provide any services to the Company other than those requested by the Committee Chair and those related to Cook's engagement as independent consultant to the Committee.

Compensation Philosophy and Objectives

Our executive compensation philosophy is straightforward – we pay for performance. Our executives are accountable for the performance of the business and are compensated based on that performance. Our executive compensation programs are designed to attract and retain top executive talent and motivate them to achieve outstanding operational and financial performance. This performance, in turn, builds value for our stockholders. Our programs aim to ensure that:

- compensation is linked to annual and long-term Company performance goals that are structured to align the interests of executive officers with those of our stockholders;
- our executive officers are rewarded for achieving sustainable, profitable growth of the Company;
- our executives are rewarded for engaging employees and ensuring customer satisfaction;
- a significant portion of total compensation is stock-based, thereby further aligning the interests of executive officers and of our stockholders; and
- compensation is competitively positioned with compensation levels comparable to our retail competitors so we can attract, retain and motivate the superior management talent essential to our long-term success.

Setting Executive Compensation

In determining appropriate compensation opportunities for our named executive officers, the Committee reviews competitive market data provided by Cook on compensation practices among a peer group of other specialty retailers. On behalf of the Committee, Cook conducts an annual review, which includes an annual competitive review of the compensation practices of our peer companies, including named executive officer pay levels and compensation mix. This review also includes the aggregate long-term incentive grant practices of our peer companies, potential share dilution from equity compensation grants, annual share usage and aggregate long-term incentive compensation costs.

The Committee considers information from the peer group regarding executive compensation levels and practices and our relative performance against peer companies. Peer group companies are selected based on their similarity to us with respect to several factors, including sales, store and employee count, market capitalization, customer profile, and business-to-business and direct-to-customer business models. The companies comprising the peer group used in competitive comparisons of executive compensation levels to help the Committee evaluate compensation opportunities for 2011 were:

AutoZone	LKQ Corp.	Sherwin-Williams
Bed Bath & Beyond	OfficeMax	Tractor Supply
Dollar General	O'Reilly Automotive	Uni-Select
Dollar Tree	Pep Boys Manny Moe & Jack	Wesco Intl.
Family Dollar	PetSmart	Williams-Sonoma
Fastenal	RadioShack	W.W. Grainger
Genuine Parts		

In November 2011, Cook completed its annual review of our comparative peer group to ensure the companies remained appropriate and relevant for use in competitive compensation analyses as well as to measure our relative performance. No changes were made to the peer group that will be used for relative performance comparisons in the 2012-2014 performance period for performance-based awards granted in 2011.

The Committee also utilized the 2011 National Retail Industry database provided by Hay Group, an independent consulting firm retained by management, as another reference point for executive compensation decisions in 2011. Hay Group collected data from a broad group of over 100 retail companies with which we compete for key management and executive talent. After adjusting the data using standard statistical methods based on revenue to make the information more comparable for a company of our size, Hay Group provided the retail compensation data to the Committee and Cook in a summary form. The Hay Group retail compensation data provides a frame of reference for the Committee to consider as it makes decisions each year about base salary, annual incentives and long-term incentives for our named executive officers as well as other employees. Due to the number of companies comprising the retail compensation data provided by Hay Group, the manner in which this data has been adjusted and the additional factors taken into consideration in determining the compensation for each executive, we believe that describing components of the retail compensation database in summary form better serves our investors' understanding of our compensation policies than listing the more than 100 companies in the database.

Competitive Positioning of Executive Compensation Levels

For 2011, the Committee established base salary, annual incentive opportunities and long-term incentive target grants for our named executive officers primarily with reference to the peer group data provided by Cook. The Hay Group retail compensation data was used as a secondary reference point. Generally, the target annual cash compensation (base salary plus target annual incentive compensation) for our named executive officers is approximately at the median level of the Cook peer group. Executives have the potential to earn significantly higher annual cash compensation when our performance significantly exceeds performance goals or significantly lower annual cash compensation if our performance falls short of performance goals. Long-term incentive target levels for our named executive officers are set at the median of the peer group, with the potential for executive officers to earn higher values when performance goals are exceeded over a defined performance period. Long-term incentive award values will be lower than the median if Company performance goals are not achieved.

Executive Compensation Components

The principal components of compensation for our executive officers are:

- base salary, which is intended to compensate executives for their primary responsibilities and individual contributions;
- performance-based cash incentives, which are intended to link annual incentive compensation with annual performance achievements and operating results;
- long-term equity incentives, which are intended to link long-term incentive compensation with the Company's long-term value creation; and

• retirement savings and other compensation.

Although there is no pre-established policy or target for the allocation between specific compensation components, the majority of an executive officer's annual total target compensation is determined by Company performance as compared to performance goals established for our annual and long-term incentive plans. We believe this approach reflects our objective of aligning the interests of our executives and stockholders without encouraging excessive or unnecessary risk-taking.

The table below illustrates how total compensation for our named executive officers for Fiscal 2011 was allocated between performance-based and fixed components, how performance-based compensation is allocated between annual and long-term incentive components and how total compensation is allocated between cash and equity components. These percentages are based on annualized target total compensation values and do not necessarily correspond to, and are not a substitute for, the values disclosed in the “Summary Compensation Table” and supplemental tables provided later in this Proxy Statement.

2011 Total Compensation Mix Table [(a)]

	Percentage of Total Compensation that is:		Percentage of Performance-Based Total that is:		Percentage of Total Compensation that is:	
Name	Performance-Based	Fixed	Annual	Long-Term	Cash	Equity
Mr. Jackson	84%	16%	28%	72%	39%	61%
Mr. Norona	73%	27%	33%	67%	51%	49%
Mr. Freeland	76%	24%	32%	68%	49%	51%
Mr. Wade	71%	29%	37%	63%	55%	45%
Ms. Kozikowski (b)	44%	56%	100%	—	100%	—

(a) Only amounts for base salary, annual incentive compensation and long-term incentive compensation (SARs and restricted stock) were included in calculating the percentages in this table. Other forms of compensation shown in the "Summary Compensation Table" are not included.

(b) Ms. Kozikowski received no long-term incentive grants in 2011 because the planned termination of her employment with the Company, effective January 1, 2012, had previously been announced. Accordingly, amounts shown in the "long-term" and "equity" columns of this chart are zero.

Base Salary

The Committee reviews the information provided by Cook regarding executives’ base salary levels compared to the base salaries of executives of companies in our peer group as presented in their latest available proxy statements. The Committee also reviews the chief executive officer’s assessment of each executive’s individual performance and responsibilities to determine appropriate compensation for each executive. The Committee has determined that, in order to enable the Company to attract and retain the executive talent important to our long-term growth, the compensation strategy should generally aim to position base salaries at or slightly below the median of the Cook peer group data as described in the "Competitive Positioning of Executive Compensation Levels" section above.

In determining base salaries for executives, as well as in determining incentive compensation opportunities, the Committee evaluates each executive’s individual performance on both an objective and subjective basis. All executives have individual goals established near the beginning of the fiscal year. Each executive’s annual goals include specific goals related to the Company’s business strategy of focusing on improving financial and operational results. Individual goals for Fiscal 2011 included sales growth, profit growth, customer satisfaction, market share and Team Member engagement. These measures, as well as professional development goals, are intended to drive our business growth during the fiscal year while increasing the long-term viability of the business. The executive’s individual goals and measurement of success vary with the individual executive’s area of responsibility. In addition to “what” the executive achieves with respect to his or her annual goals, all executives are also evaluated on "how" he or she demonstrates our values of inspiring, serving and growing our profitability with integrity with our Team Members and customers. For example, an executive may have a goal to improve customer satisfaction ratings by a certain percentage during the fiscal year as measured by a third party. The Committee considers the chief executive officer’s most recent evaluation of an executive’s performance with respect to the executive’s individual goals, along with the executive’s scope of responsibilities and the Company’s performance. Further, the Committee reviews the competitive compensation data and exercises its judgment regarding base salary decisions for each executive. Thus, if the

Company has performed well as measured against its strategic goals, but an individual executive has fallen short of achieving his or her individual performance goals, the Committee may exercise its judgment in maintaining the executive’s base salary at a constant level from one year to the next, or the Committee may approve a smaller salary increase than would have been the case if the executive had achieved his or her individual performance goals. Conversely, if the executive’s individual performance has been outstanding, he or she may receive a salary increase even when the Company’s performance may have fallen short. Except for the chief executive officer, changes were made to all executive officers' base salaries in April 2011 based on the Cook competitive review and reviews of the executives' 2010 performance. The Committee chose to continue the emphasis of annual and long-term incentives in the chief executive officer's compensation package, rather than increase base salary, to further strengthen the connection of his compensation with stockholders' interests.

Annual Incentive Plan

Our compensation philosophy connects our executives’ potential annual earnings to the achievement of performance objectives designed to support execution of our business strategies. Our AIP provides for the payment of cash bonuses based upon Company performance in relation to predetermined financial targets established during the first quarter of the fiscal year. For Fiscal 2011, we established incentive targets so that total annual cash compensation at the target level would approximate the Cook peer group median, with the opportunity for above median total annual cash compensation for correspondingly higher performance. The overall AIP potential varies depending upon the executive’s position. For Fiscal 2011, Mr. Jackson's AIP target was reduced from 200 percent to 150 percent. The target reduction was made to more strongly link the CEO's compensation to longer-term performance and increase alignment with stockholders' interests through equity compensation. This is further accentuated by the CEO's annual cash compensation level being lower than the market median. AIP targets for other named executive officers remained unchanged from 2010: Mr. Norona—90 percent; Mr. Freeland—100 percent; Mr. Wade—90 percent; and Ms. Kozikowski—8 percent. The range of potential AIP payouts for 2011 ranged from zero to 200 percent of each executive officer’s incentive target, so that executives could earn above-target payouts when performance significantly exceeded our fiscal year financial plan. All AIP target opportunities for our named executive officers are issued under the stockholder-approved 2007 Executive Incentive Plan.

The Committee approved our executives’ 2011 AIP design and financial targets in February 2011 as part of the annual financial and operating planning process established by the Board. Under the AIP approved by the Committee for Fiscal 2011, performance measures included growth in the Company’s market share; growth in our operating income over prior year results; and performance on the Company’s customer satisfaction scores as of the end of 2011. These performance measures were selected based on their alignment with key Company strategies, and they were weighted to reflect the significance of the key performance indicators in driving stockholder value. Operating income growth comprised 60 percent and market share growth comprised 20 percent with the remaining 20 percent based on customer satisfaction to determine the executives’ annual incentive compensation opportunities. The Company had to achieve a minimum of five percent operating income growth over Fiscal 2010 for named executive officers to receive any 2011 AIP payments. The individual AIP awards are capped at 200 percent of each executive officer’s incentive target. The potential AIP payout amount could be increased or decreased by up to 25 percent based on the executive's individual performance against predefined goals.

2011 Annual Incentive Plan Performance Results Table

The following table shows the actual performance results for Fiscal 2010 and Fiscal 2011, as well as the threshold and target performance levels for Fiscal 2011.

Measure	Performance Weight	2010 Actual	2011 Threshold	Target	Actual	Payout Percentage
Operating Income ($ in millions)	60 %	$584.9	$613.9	$681.6	$664.6	49 %
Market Share Growth compared to Competitors (a)	20 %	+58	+100	+200	-131	— %
Commercial Customer Satisfaction Score (b)	10 %	66	67	68	65	— %
DIY Customer Satisfaction Score (b)	10 %	72	73	74	73.6	8 %

(a) Change in sales market share compared to remainder of market in basis points.
(b) Customer satisfaction scores are measured each month by an independent third party and reported to the Company.

While our overall financial results steadily improved throughout Fiscal 2011, primarily due to improving sales trends and the decrease in our selling, general and administrative expense rate, our sales growth underperformed our targeted levels. We achieved actual operating income of $665 million which was 82 percent of target level, despite achieving a record 10.8 percent operating income rate. We did not achieve the targeted market share growth results established by the Committee at the beginning of 2011 primarily as a result of the regional performance disparity between the Eastern and Western portions of the United States, the decelerated pace of our new store growth relative to our peers and underperformance in our do-it-yourself (DIY) sales. DIY customer satisfaction scores increased over 2010 levels to achieve 80 percent of target level, but commercial customer satisfaction scores did not achieve the threshold level approved by the Committee. As a result, the aggregate AIP amount was funded at approximately 57 percent of the named executive officers' 2011 AIP target levels.

In determining actual bonuses, the Committee also took into account each executive officer's individual performance and contribution to the overall success of the organization. The Committee reviewed and approved measurable performance goals for each executive. Executives' results for Fiscal 2011 were compiled, reviewed and approved by the Committee. The Committee did not modify 2011 AIP payments to any executive officers based on their individual performance, and each received an AIP payment of 57 percent of the target levels.

For additional information about the Company's AIP, please refer to the "2011 Grants of Plan-Based Awards Table," which shows the threshold, target and maximum incentive amounts payable under the plan for 2011, and the "Summary Compensation Table," which shows the actual non-equity incentive plan compensation paid to our named executive officers for our Fiscal 2011 performance.

Long-Term Incentive Compensation

Our executives receive long-term incentive compensation intended to link their compensation to the Company's long-term financial success. Long-term incentive compensation grants were made in December 2011 to executive officers and other employees eligible for long-term incentives. In 2011, 75 percent of each named executive officer's target grant value was awarded in the form of stock-settled SARs, and 25 percent was granted in the form of restricted stock under the 2004 LTIP, which was approved by stockholders in May 2004 and amended with stockholder approval in 2007. Mr. Jackson received a smaller long-term incentive award in 2011 than in 2010 based on an assessment of peer company compensation levels and the Company's 2011 performance compared to fiscal year 2010.

We introduced performance-based vesting into our long-term incentive program in 2008. The performance-based portion of each award may vest in whole or in part as of March 1 of the calendar year following the end of the performance period after certification by the Committee of the EVA performance for the respective three-year performance period. EVA was adopted as the performance measure because we believe it is the measure most strongly aligned with the creation of long-term stockholder value. For purposes of this program, EVA is defined as operating profit after taxes ("After-Tax Operating Earnings"), less a charge for cost of capital as calculated on our total debt and equity ("Total Invested Capital") during the three-year performance period. The Company utilizes an independent consultant to prepare objective EVA performance calculations for the Company and its peer group companies for each performance period. Grants of performance-based SARs and restricted stock made in November 2008 were earned based on our EVA performance during fiscal 2009 through 2011 compared to approved goals for the performance period. Grants of performance-based SARs and restricted stock made in 2009 and 2010 will be earned based on our EVA performance as compared to the EVA performance of the companies in our peer group for the 2010-2012 and 2011-2013 performance periods, respectively. For the annual awards made in December 2011, the peer group for purposes of measuring our relative EVA performance is the same as the peer group used for the December 2010 awards. This peer group is defined in the "Setting Executive Compensation" section of this Proxy Statement. The peer group for awards made in December 2009 included fewer companies and are described in the Company's 2011 proxy statement. We believe the use of a peer group for these grants increases alignment of long-term incentive compensation earned by executives with stockholder value created relative to that of the peer companies. For the 2008, 2009 and 2010 grants, a minimum absolute level of EVA performance for the respective three-year performance period must be achieved in order for any performance-based award to be earned. The awards granted in December 2011 do not include a minimum absolute level of EVA for the performance period because the Committee believes the EVA performance relative to the defined peer group is an adequate performance requirement and the awards are already aligned with our absolute EVA performance because they are in the form of SARs and restricted stock.

Long-term incentive awards granted prior to December 1, 2011 had 75 percent of the award vesting equally over three years on the anniversary of the grant with 25 percent of the award vesting based on our three-year EVA performance. For the annual awards made in December 2011, a larger proportion of the target awards granted to Messrs. Jackson, Norona, Freeland and Wade will vest based on our three-year EVA performance with only 50 percent of the target award amount of SARs and restricted stock vesting in three approximately equal annual installments on the first three anniversaries of the date of grant, subject to the named executive officer’s continued employment. The remaining 50 percent of the target award will be earned based on our EVA performance during the 2012 through 2014 fiscal years relative to a defined peer group.

The Company’s EVA performance during fiscal years 2012 through 2014 must exceed the EVA performance of 40 percent of our peer group companies during the three-year performance period before the executive officers may become eligible to receive any performance-based awards. In order for the executive officers to earn the performance-based portion of the award at target level (which is 50 percent of the target amount and, when added to the time-based shares, a total of 100 percent of target), the Company’s EVA performance must equal the peer group median. The number of SARs and shares of restricted stock that can potentially vest is determined by the EVA performance relative to the EVA of peer group companies. As the Company's EVA performance exceeds the 40th percentile of peer group companies and approaches the 80th percentile of peer group companies, more SARs and shares of restricted stock vest. Executive officers may receive additional SARs and shares of restricted stock up to a maximum of an additional 100 percent of the target level award if the Company's EVA performance meets or exceeds the EVA performance of 80 percent of the peer group companies.

2012-2014 Performance Vesting Table

The table below provides a summary of the performance vesting criteria of the December 2011 long-term incentive grants to our named executive officers.

Long-Term Incentive Shares Vested as Percent of Target (a)	Company EVA Performance Compared To Peer Companies (b)
200%	80^{th} Percentile or more
100%	50^{th} Percentile
50%	40^{th} Percentile or lower

(a) Represents the percent of SARs and shares of restricted stock issued compared to the executive's target grant. For example, 10,000 SARs at target can increase to 20,000 SARs at maximum vesting. Vesting levels are pro-rated on a graduated scale between the minimum (50%) and maximum (200%) vesting levels.
(b) Peer group companies are defined in the "Setting Executive Compensation" section of this Proxy Statement.

The Committee established long-term incentive guidelines for each executive level after considering competitive long-term incentive grant values provided to similarly-positioned executives of the Cook peer group companies. The Committee also considers the individual executive's potential impact on our future performance and most recent performance evaluation when awarding individual grants. The "Base Salary" section of this Proxy Statement provides more information regarding the factors considered to determine whether each individual executive's award should be adjusted as compared to the guideline level previously established for the executive.

All equity awards to executive officers are approved by the Committee. The Committee approved the guidelines for the December 2011 annual long-term incentive awards and a grant date of December 1, 2011 at the Committee's meeting in November 2011. The approved grant values were converted into a number of SARs and shares of restricted stock based on the closing price of the Company's common stock on the date of grant and for the SARs, the Black-Scholes value. Newly hired or promoted executives are generally eligible to receive prorated long-term incentive grants shortly after their hire or promotion date based on the long-term grant guidelines approved by the Committee for the fiscal year. Pro-ration is based on the time from promotion or hire through the end of the fiscal year. For newly hired executive officers, the Committee approves compensation arrangements containing equity awards as deemed appropriate. Grants for newly hired or promoted employees are generally granted on the third day our stock is traded on the NYSE following our earnings release for the quarter in which they were hired or promoted. The "2011 Grants of Plan-Based Awards" and "Outstanding Equity Awards at 2011 Fiscal Year-End" tables contain additional information about named executive officers' 2011 long-term incentive awards.

The SARs awarded by the Committee have a term of seven years. Upon exercise of the SARs, the amount of appreciation, representing the difference between the grant price and the price of our stock at the time of exercise, will be settled through issuance of Company stock, with any fractional shares to be paid in cash. Dividend and voting rights were granted in conjunction with the time-based portion of the restricted stock awards. Dividend and voting rights are not applicable to the performance-based restricted stock.

Long-term incentive grants awarded between November 18, 2008 and November 30, 2009 included an opportunity to earn additional SARs and shares based on the Company's cumulative EVA during fiscal years 2009, 2010, and 2011 based on an EVA performance vesting scale previously approved at the grant date. These awards vested for our executive officers on March 1, 2012 at the maximum performance level of 150 percent of the original target award due to the Company's exceptional EVA performance during those years. The cumulative EVA required for maximum vesting was $391 million, and the Company actually achieved $697.2 million.

Retirement Savings Programs

Executives are eligible to participate in our 401(k) plan, along with other eligible employees of the Company, once they meet eligibility requirements. The Company provides the same match offered to all employees of the Company. The Company matches 75 percent of each dollar up to five percent of executives’ contributions or the maximum contributions permitted by Internal Revenue Service plan testing limitations, whichever is lower. Generally, executives’ ability to accumulate retirement savings through our 401(k) plan is limited due to Internal Revenue Service limitations with respect to highly compensated employees. Consequently, we have established a non-qualified deferred compensation plan for named executive officers and certain other eligible executives. Pursuant to the plan, eligible employees were able to defer up to 50 percent of their annual salary and up to 50 percent of their bonus earnings in 2011. Earnings on deferrals, if any, depend on the market-based investment funds selected by the executives. The Company does not match executives' deferrals into the non-qualified deferred compensation plan. All compensation deferred under this plan is distributed in cash to the executive on a future date elected by the participating executive or upon termination of employment, whichever occurs first. Distribution of deferred compensation payments must occur at least six months following termination of employment.

Executive officers and senior vice presidents may also voluntarily defer up to 50 percent of their base salary into our Deferred Stock Unit Plan. Deferred earnings are converted into equivalent stock units of Company stock at 100 percent of the market price based on the closing price of our stock on the deferral date. Prior to the beginning of the year in which the deferrals begin, eligible executives must make irrevocable participation elections and designate future distribution dates for both the deferred compensation and deferred stock unit plans. All deferred stock units, or DSUs, are settled in Company stock.

Detailed information about deferrals made by named executive officers is presented in the "2011 Non-Qualified Deferred Compensation Table" contained in this Proxy Statement.

Other Compensation

Taxable perquisite allowances are provided to named executive officers and certain other executives under our Executive Choice Plan. The Committee believes the allowances are reasonable and consistent with the objectives of the overall compensation program and better enable the Company to attract and retain superior employees for key positions. The Committee periodically reviews the levels of allowances for named executive officers. Executives may apply their allowances toward personal development, legal and financial planning expenses, health club memberships, supplemental disability and life insurance policies or automobile expenses. Offering these allowances enables the Company to maintain a competitive total compensation package for our executives. Allowance amounts for named executive officers are included in the "Summary Compensation Table" contained in this Proxy Statement. Our named executive officers are also eligible for personal use of the Company aircraft on a limited basis subject to certain limitations set forth in the aircraft use policy approved by the Committee, which limits the maximum value to $100,000 for personal use by our Chief Executive Officer on an annual basis. Personal use of the Company aircraft by other named executive officers must be approved by the Chief Executive Officer. Executives do not receive tax gross-ups with respect to their perquisite allowances or personal use of the Company aircraft.

Employment Agreements

The Company competes for executive talent, and we believe that providing severance protection plays an important role in attracting and retaining key executives. Accordingly, the Company has entered into employment agreements with all named executive officers and other selected senior executives. The agreements automatically renew unless either party provides notice of non-renewal at least 90 days prior to the end of the then effective term. Effective June 4, 2011, employment agreements with Messrs. Norona, Wade, and Freeland were automatically renewed for an additional one-year term according to the terms of the agreements. The Company entered into an employment agreement with Mr. Jackson on January 7, 2008, when he became the Company's President and Chief Executive Officer. His agreement was automatically renewed on January 7, 2012 for a one-year term. Ms. Kozikowski's employment agreement was automatically renewed for an additional one-year term effective January 1, 2011. This agreement was in place until Ms. Kozikowski's employment ended on January 1, 2012. Effective January 1, 2012, Mr. Wade entered into a new employment agreement which is discussed below.

The respective agreements specify annual base salary and annual performance-based cash target bonus amounts for each executive, calculated as a specified percentage of the executive's base salary. The performance measures are determined by the Committee annually and are consistent with the measures applied to other senior executives. The executives are eligible to participate in all of the Company's applicable benefit plans and programs pursuant to the terms of such programs.

If the executive's employment is terminated in the event of the executive's death, the Company has agreed to pay to the executive's designated beneficiary or estate an amount equal to one year of base salary at the rate then in effect, plus an amount equal to the executive's average annual bonus for the past three fiscal years. In the event of termination of employment due to disability as defined in the agreement, the executive will receive a lump sum payment amount equal to 30 percent of base salary at the rate then in effect, plus an amount equal to the executive's average annual bonus for the past three fiscal years, in addition to the benefits payable under our qualified group disability plan. Executives are also granted a right to continue their medical benefits for up to one year post-termination at the same cost as active employees.

In addition, under the terms of the long-term incentive awards, if the executive's employment is terminated on account of death or disability, all time-vesting restricted stock, SARs and stock options granted to the executive pursuant to the Company's 2004 LTIP or any successor plan will vest and become exercisable if not then vested or exercisable. If the executive's employment is terminated on account of death, disability or retirement prior to the vesting date of the executive's performance-based SARs or restricted shares, the performance-based SARs and restricted shares will become eligible for exercise or issuance on the normal vesting date for performance-based awards on a pro-rata basis for the time that the executive was employed during the performance period. The pro rata amount of performance SARs or restricted shares that will become eligible for exercise or issuance will be no fewer than the total number of shares at target level less the previously vested portion of the time-vested SARs and restricted shares.

If the Company terminates the executive's employment without "Cause" or if the executive terminates his or her employment for "Good Reason," as defined in the agreements, other than following a Change in Control, as defined in the 2004 LTIP, the executive will be entitled to a lump sum severance payment in an amount equal to one year of base salary at the rate then in effect and the prorated value of the annual Executive Choice Plan. In addition, executives will be entitled to receive an amount equal to an average of the past three years' annual bonus payments. If the executive has been employed by the Company for fewer than three fiscal years prior to the date of termination of employment, the executive is entitled to receive an amount equal to the average of the executive's annual bonuses received prior to termination of employment. The Company will also provide the executive certain outplacement services for a period of up to one year. Any performance-based grants of SARs and restricted stock will vest immediately as of the date of the executive's termination of employment at the target level and in the same ratio as the executive's time-vested SARs and restricted shares. Executives are also granted a right to continue their medical benefits for one year post-termination at the same cost as active employees.

If within twelve months after a Change in Control the Company terminates the executive officer's employment other than for Cause, death or disability, or the executive terminates the executive officer's employment for Good Reason, the executive will be entitled to receive a lump sum severance payment in an amount equal to two times base salary at the rate then in effect, plus two times the average annual bonus paid to the executive during the preceding three years and the prorated value of the annual Executive Choice Plan. In addition, the Company will provide the executive certain outplacement services for a period of up to one year. In the event of a Change in Control, all time-vesting restricted stock, SARs and stock options granted to the executive pursuant to the Company's 2004 LTIP or any successor plan will vest and become exercisable if not then vested or exercisable. Performance-based SARs and restricted stock will vest immediately on a pro rata basis based on the actual performance of the Company over the completed portion of the performance period prior to the Change in Control event. However, the pro rata amount of performance SARs and restricted stock that will vest will be no fewer than the total shares at target level less the previously vested portion of the time-vested share awards. Executives are also granted a right to continue their medical benefits for up to one year post-termination at the same cost as active employees.

In the event of a Change in Control, Messrs. Jackson, Freeland and Norona will be entitled to a tax gross-up payment intended to make them whole for excise taxes that may be imposed on the Change in Control payments. In May 2009, the Company discontinued the tax gross-up payment provision for future agreements. Consequently, Ms. Kozikowski's employment agreement, which became effective as of January 1, 2010 (and which was terminated effective January 1, 2012), did not include this tax gross-up provision. Her agreement provided that if payments upon termination of employment related to a Change in Control would be subjected to the excise tax imposed by Section 4999 of the Internal Revenue Code, and if reducing the amount of the payments would result in greater benefits to her (after taking into consideration the payment of all income and excise taxes that would be owed as a result of the Change in Control payments), we will reduce the Change in Control payments by the amount necessary to maximize the benefits received by her, determined on an after-tax basis. Through the end of Fiscal 2011, Mr. Wade's employment agreement provided for a tax gross-up payment in the event of Change in Control. Effective January 1, 2012, and as more fully described below, Mr. Wade entered into a new employment agreement with the Company that contains provisions similar to those in Ms. Kozikowski's agreement.

The executives are subject to standard confidentiality and non-disparagement agreements during and following their employment. Each executive has also agreed not to compete with the Company, not to recruit or employ our employees in other businesses and not to solicit our customers or suppliers for competitors during the term of the executive’s employment and for one year following termination of employment. Mr. Jackson has agreed that he will not compete with the Company for two years following his termination of employment. In order to receive any payments or benefits under the employment agreement, the executive or his legal representative must execute a release that is satisfactory to the Company. Information regarding applicable potential payments under such agreements for the named executive officers is provided under the heading "Potential Payments Upon Termination or Change in Control Table" contained in this Proxy Statement.

Effective September 15, 2011, our Board appointed Mr. Wade, who previously served as President of the Company, to serve as a director and a member of the Board's Finance Committee. Effective January 1, 2012, Mr. Wade transitioned from his role as the Company's President. He continues to be employed by the Company reporting to the President and Chief Executive Officer and continues to provide strategic leadership to the Company and serves as Chairman of Autopart International, Inc., a subsidiary of the Company. Mr. Wade entered into a new employment agreement effective January 1, 2012, which replaces his prior employment agreement and provides for an annual base salary of $150,000 and contains a reduced lump sum severance payment equal to $300,000 if his employment with the Company ends as the result of death, disability, termination of employment by the Company without cause or change in control. Mr. Wade's revised employment agreement also eliminated the provision for a tax gross-up in the event of termination of employment following a change in control and instead provides for a reduction in Change Control payments in the manner described above with regard to Ms. Kozikowski's employment agreement. Mr. Wade's agreement continues to contain standard confidentiality, non-disparagement agreements and non-compete provisions like our executive officers. Mr. Wade will not receive non-management director compensation, but he will be eligible to receive an annual grant of restricted stock awards with a value of at least $100,000.

Ownership Guidelines

The Company has had stock ownership guidelines in place since 2006 that prescribe required levels of stock ownership and the timeline for achieving the required levels of stock ownership by named executive officers and members of our Board. These guidelines are designed to further strengthen and align Company leadership with stockholders' interests and to enhance stockholder value over the long term. Details of the current guidelines are included in the "Security Ownership Guidelines for Directors and Executive Officers" section of this Proxy Statement and are posted on the Company's website. As of the end of our fiscal year, Messrs. Jackson, Norona, and Wade have achieved their required ownership levels. All other executives are currently progressing toward meeting the required ownership guidelines.

The terms of Mr. Jackson's December 2010 and 2011 awards require that he hold the shares realized upon the exercise of the SARs and the lapse of the restrictions on the restricted stock awards, net of shares withheld to satisfy the applicable withholding tax requirements, for a period of one year.

Tax Deductibility of Pay

In designing our executive compensation programs, we consider the potential impact of Section 162(m) of the Internal Revenue Code, which disallows a tax deduction for any publicly held corporation for individual compensation exceeding $1,000,000 in any taxable year paid to the Company's named executive officers. Compensation paid in accordance with a stockholder approved performance-based incentive plan is exempt from Section 162(m) and is tax-deductible for the Company. Our 2007 Executive Incentive Plan was established and approved by stockholders in 2007. All 2010 annual incentives paid to our named executive officers and all performance-based long-term incentives awarded in 2011, were subject to performance measures established and certified by the Committee consistent with the provisions of the Executive Incentive Plan. The stockholder-approved 2004 LTIP enables us to exclude from the $1,000,000 limit any performance-based compensation resulting from long-term incentives or other qualifying awards granted under the plan to our named executive officers. SARs and the performance-based portion of our restricted shares meet the tax-deductibility requirements of Section 162(m) of the Internal Revenue Code. We intend to structure compensation programs to meet the requirements of Section 162(m), other than time-vested restricted stock or restricted stock units, which are not considered performance-based under Section 162(m) of the Internal Revenue Code. Accordingly, awards of time-vested restricted stock or restricted stock units are generally not deductible by the Company. However, the Committee retains the authority to award compensation which may not be fully deductible by the Company. This Proxy Statement contains two important proposals requesting stockholders to re-approve performance objectives for the 2007 Executive Incentive Plan and the 2004 LTIP to maintain the Committee's ability to grant qualified "performance-based" compensation under Section162(m) of the Internal Revenue Code.

ADDITIONAL INFORMATION REGARDING EXECUTIVE COMPENSATION

Summary Compensation Table

The following Summary Compensation Table provides the compensation earned by our chief executive officer and our principal financial officer and the other three most highly compensated executive officers as of the end of each of the last three completed fiscal years.

Name and Principal Position	Year	Salary ($)	Bonus (a) ($)	Stock Awards (b) (d) ($)	Option or SAR Awards (c) (d) ($)	Non-Equity Incentive Plan Compensation (e) ($)	All Other Compensation (f) (g) (h) (i) ($)	Total ($)
Darren R. Jackson	2011	$700,000	$—	$687,500	$2,062,502	$ 601,650	$ 117,541	$4,169,193
Chief Executive Officer	2010	700,000	—	712,502	2,137,515	2,310,000	106,189	5,966,206
	2009	700,000	—	281,287	843,769	1,792,000	74,014	3,691,070
Michael A. Norona	2011	469,240	—	212,506	637,502	241,987	15,964	1,577,199
EVP, Chief	2010	450,008	—	199,971	600,043	735,075	15,983	2,001,080
Financial Officer	2009	450,008	—	117,183	351,596	460,800	23,638	1,403,225
Kevin P. Freeland	2011	526,936	—	275,000	825,001	301,934	16,018	1,944,889
Chief Operating Officer	2010	450,008	—	337,486	1,012,525	816,750	27,801	2,644,570
	2009	450,008	—	135,959	407,819	570,240	17,388	1,581,414
Jimmie L. Wade	2011	469,240	—	725,038	—	241,987	15,964	1,452,229
Former President	2010	450,008	—	181,251	543,763	668,250	15,983	1,859,255
	2009	450,008	—	150,012	450,002	570,240	21,282	1,641,544
Tamara A. Kozikowski	2011	419,237	188,000	—	—	—	15,916	623,153
Former Chief	2010	400,005	—	143,744	431,263	528,000	10,419	1,513,431
Development Officer (j)	2009	230,772	—	286,018	857,849	220,915	6,214	1,601,768

(a) As part of her severance agreement, Ms. Kozikowski was granted a payment to compensate for her 2011 annual incentive plan payment that would have otherwise been payable in March 2012.

(b) Represents the grant date fair value of restricted stock granted for each year. The grant date fair value is calculated using the closing price of the Company’s stock on the date of grant. For additional information regarding the valuation assumptions of this award, refer to Note 19 of the Company’s consolidated financial statements in the 2011 Form 10-K filed with the SEC on February 28, 2012. See the "2011 Grants of Plan-Based Awards Table" and "Outstanding Equity Awards at 2011 Fiscal Year-End Table" in this Proxy Statement for information on stock awards granted in 2011 and prior years. These amounts reflect the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board’s Accounting Statement of Codification Topic 718 ("ASC Topic 718"), and do not correspond to the actual value that may be realized by the named executive officers. Any performance awards included in these amounts have been valued based on the probable outcome of the performance conditions as of the grant date.

(c) Represents the grant date fair value of SARs granted for each year. For additional information regarding the valuation assumptions of this award, refer to Note 19 of the Company's consolidated financial statements in the 2011 Form 10-K filed with the SEC on February 28, 2012. See the "2011 Grants of Plan-Based Awards Table" and "Outstanding Equity Awards at 2011 Fiscal Year-End Table" in this Proxy Statement for information on SARs awards granted in 2011 and prior years. These amounts reflect the aggregate grant date fair value computed in accordance with ASC Topic 718, and do not correspond to the actual value that may be realized by the named executive officers. Any performance awards included in these amounts have been valued based on the probable outcome of the performance conditions as of the grant date.

(d) The maximum value for awards, assuming the highest level of performance is achieved for performance awards granted, is provided for each executive in the table below.

Name	Year	Restricted Stock Maximum Value ($)	SARs Maximum Value ($)	Maximum Fair Value of Stock Awards and SARs ($)
Mr. Jackson	2011	$1,375,000	$4,125,003	$5,500,003
	2010	1,068,852	3,206,301	4,275,153
	2009	562,574	1,687,538	2,250,112
Mr. Norona	2011	424,944	1,274,985	1,699,929
	2010	300,056	900,084	1,200,140
	2009	234,366	703,192	937,558
Mr. Freeland	2011	550,000	1,650,001	2,200,001
	2010	506,279	1,518,789	2,025,068
	2009	271,919	815,638	1,087,557
Mr. Wade	2011	1,450,075	—	1,450,075
	2010	271,877	815,645	1,087,522
	2009	225,078	675,010	900,088
Ms. Kozikowski	2011	—	—	—
	2010	215,649	646,923	862,572
	2009	384,465	1,153,184	1,537,649

(e) Amounts in this column were paid to the named executives in February 2010 and March of 2011 and 2012, respectively, for the preceding fiscal year's performance according to the terms of the annual incentive plans in effect for each respective year.

(f) Includes Company matching contributions according to the terms of the Company's 401(k) plan.

(g) Includes life insurance premiums paid by the Company for coverage equal to one times the executive's annual salary, which is the incremental cost required to cover a benefit stated in the terms of each executive's employment contract.

(h) Includes executive allowances for 2011 as follows: Mr. Jackson - $15,000 for financial planning; Mr. Norona - $10,000 for financial planning; Mr. Wade - $10,000 for financial planning and automobile use; Ms. Kozikowski - $10,000 for financial planning; and Mr. Freeland - $10,000 for automobile use. Information about these taxable perquisites is discussed under the heading "Other Compensation" in the Compensation Discussion and Analysis section of this Proxy Statement.

(i) This column also includes the value of any personal use of the Company aircraft calculated at the incremental cost to the Company related to personal use of the Company aircraft. Individual expenses related to aircraft use for 2009, 2010 and 2011 are provided in accordance with the Company's aircraft use policy. For 2011, reportable compensation for Mr. Jackson is $96,355 related to Company aircraft use. The incremental cost to the Company for personal use of Company aircraft is calculated based on the primary variable operating costs to the Company, including fuel, maintenance and other miscellaneous variable costs. All personal use of the Company aircraft is reportable as taxable wages for executives and no tax reimbursements are provided by the Company.

(j)

Ms. Kozikowski received no stock or SAR awards in 2011. As part of her severance arrangement, Ms. Kozikowski received payments in January 2012, totaling $1,225,000. This amount included payments made pursuant to the terms of her employment agreement of $425,000, an amount which equals one times her annual base salary, and $312,000, an amount which represents the average annual incentive payments for the past three years. Additionally, $188,000 was paid to her in lieu of her 2011 annual incentive plan payment which would otherwise have been payable at the time the named executive officers received their 2011 annual incentive plan payments, and a supplemental cash payment of $300,000 was paid to her in recognition of her performance and contribution during her tenure at the Company. With the exception of the $188,000 payment, reported in the bonus column, all of these payments were distributed to Ms. Kozikowski following the termination of her employment after the end of 2011 fiscal year, and therefore are not included in the table.

2011 Grants of Plan-Based Awards Table

The following table sets forth information concerning grants of cash and stock-based awards made under our annual and long-term incentive plans during 2011. The threshold, target and maximum non-equity incentive award amounts shown in the table represent the amounts to be paid if the Company's performance had met the respective levels of the four applicable performance measures. The performance measures are more fully described under the heading "Annual Incentive Plan" in the Compensation Discussion and Analysis section of this Proxy Statement. The threshold, target and maximum equity incentive award amounts shown in the table represent the amounts to be paid if the Company's performance meets the respective level of applicable performance measures as more fully described under the heading "Long-Term Incentive Compensation" in the Compensation Discussion and Analysis section of this Proxy Statement.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (a)			Estimated Future Payouts Under Equity Incentive Plan Awards (b)			All Other Stock Awards: Number of Shares of Stock or Units (#) (c)	All Other Stock Awards: Number of Securities Underlying Options (#) (d)	Exercise Price of Option Awards ($/sh) (e)	Grant Date Fair Value of Stock and Option Awards ($)(g)
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Mr. Jackson	1/1/2011	$210,000	$1,050,000	$2,100,000	—	—	—	—	—	$ —	$ —
	12/1/2011	—	—	—	—	51,640	154,920	—	51,640	68.75	2,062,502
	12/1/2011	—	—	—	—	5,000	15,000	5,000	—	—	687,500
Mr. Norona	1/1/2011	84,463	422,316	844,632	—	—	—	—	—	—	—
	12/1/2011	—	—	—	—	15,961	47,883	—	15,962	68.75	637,502
	12/1/2011	—	—	—	—	1,545	4,635	1,546	—	—	212,506
Mr. Freeland	1/1/2011	105,387	526,936	1,053,872	—	—	—	—	—	—	—
	12/1/2011	—	—	—	—	20,656	61,968	—	20,656	68.75	825,001
	12/1/2011	—	—	—	—	2,000	6,000	2,000	—	—	275,000
Mr. Wade (f)	1/1/2011	84,463	422,316	844,632	—	—	—	—	—	—	—
	12/1/2011	—	—	—	—	5,273	15,819	5,273	—	—	725,038
Ms. Kozikowski	1/1/2011	67,078	335,389	670,779	—	—	—	—	—	—	—

(a) The non-equity incentive plan information represents our 2011 annual incentive plan.

(b) These columns include performance-vesting portions of the restricted stock and SAR grants to our executives. For the December 2011 grants our executives, except Mr. Wade who received his entire award in the form of shares of restricted stock, received 75 percent of target award value granted in the form of SARs and the remaining 25 percent granted in the form of shares of restricted stock, which are shown in separate rows, respectively. At target, the performance-based portion represents 50 percent of the total long-term incentive grant value. These shares may be earned on March 1, 2015, following certification by the Committee of the performance vesting achievement level of the Company during fiscal years 2012 through 2014. At the threshold level of Company performance, executives receive no performance-based SARs or shares of restricted stock. The Company's EVA performance must exceed 40 percent of the peer group companies to become eligible to receive additional performance-based shares. In order for the executive officers to earn the full performance-based portion of the target amount (which is 50 percent of the target amount and, when added to the time-based shares, a total of 100 percent of target), the Company's EVA performance must equal the peer group median. Executive officers may receive additional SARs and shares of restricted stock up to a maximum of an additional 100 percent of the target level award, if the Company's EVA meets or exceeds 80 percent of the peer group companies.

(c) This column includes the number of shares of time-vesting restricted stock awarded to each executive for 2011 grants. These shares will vest in three approximately equal annual installments commencing on the first anniversary date of the grant.

(d) This column includes the number of time-vesting SARs awarded to each executive for the 2011 grants. These SARs will vest in three approximately equal annual installments commencing on the first anniversary date of the grant.

(e) Stock prices shown are the exercise price of any SAR grants based on the closing price of the Company's common stock on the date of grant.

(f) Mr. Wade was retirement eligible at the time of the December 1, 2011 grants. The terms of the award entitle retirement-eligible employees to receive, at minimum, the target value of the performance award. The aggregate grant date fair value for the target level awards was computed in accordance with ASC Topic 718.

(g) The aggregate grant date fair value of the awards was computed in accordance ASC Topic 718. The attainment of target level for performance awards was deemed probable at the date of grant for the December 1, 2011 award. Accordingly, the grant date fair value was calculated at target level.

The time-vested portions of the restricted stock awards granted in 2011 include voting rights and rights to receive dividend payments in the same amount as paid to our stockholders. Performance-based restricted stock does not include dividend or voting rights. The Company paid quarterly cash dividends of $0.06 per share in 2011. All SAR grants have a term of seven years and must be settled in shares of Company stock.

Outstanding Equity Awards at 2011 Fiscal Year-End Table

The following table provides information concerning stock-based awards granted to our named executive officers that were outstanding at the end of our last fiscal year.

		Option Awards (a)					Stock Awards (b)			
									Equity Incentive Plan Awards:	
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Shares Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#)	Market Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)
Mr. Jackson (c)	5/23/2005	6,250	—	—	$ 39.65	5/23/2012	—	$—	—	$—
	5/22/2006	7,500	—	—	38.35	5/22/2013	—	—	—	—
	5/21/2007	7,500	—	—	41.64	5/21/2014	—	—	—	—
	1/7/2008	225,000	—	—	37.28	1/7/2015	—	—	—	—
	11/17/2008	56,595	—	169,782	25.81	11/17/2015	—	—	—	—
	11/17/2008	—	—	—	—		—	—	16,707	1,163,308
	12/1/2009	43,912	21,956	33,510	40.38	12/1/2016	—	—	—	—
	12/1/2009	—	—	—	—		2,322	161,681	3,543	246,667
	12/1/2010	27,631	55,262	27,630	66.15	12/1/2017	—	—	—	—
	12/1/2010	—	—	—	—		5,386	375,027	2,692	187,444
	12/1/2011	—	51,640	51,640	68.75	12/1/2018	—	—	—	—
	12/1/2011	—	—	—	—		5,000	348,150	5,000	348,150
Mr. Norona (d)	2/15/2008	50,000	—	—	33.66	2/15/2015	—	—	—	—
	2/19/2008	63,561	—	—	33.80	2/20/2015	—	—	—	—
	11/17/2008	47,983	—	47,982	25.81	11/17/2015	—	—	—	—
	11/17/2008	—	—	—	—		—	—	4,722	328,793
	12/1/2009	18,298	9,149	9,148	40.38	12/1/2016	—	—	—	—
	12/1/2009	—	—	—	—		968	67,402	1,476	102,769
	12/1/2010	7,756	15,514	7,756	66.15	12/1/2017	—	—	—	—
	12/1/2010	—	—	—	—		1,512	105,281	755	52,571
	12/1/2011	—	15,962	15,961	68.75	12/1/2018	—	—	—	—
	12/1/2011	—	—	—	—		1,546	107,648	1,545	107,578
Mr. Freeland (e)	2/19/2008	84,748	—	—	33.80	2/20/2015	—	—	—	—
	11/17/2008	49,829	—	49,827	25.81	11/17/2015	—	—	—	—
	11/17/2008	—	—	—	—		—	—	4,902	341,326

	12/1/2009	21,224	10,612	16,197	40.38	12/1/2016	—	—	—	—
	12/1/2009	—	—	—	—		1,123	78,194	1,713	119,242
	5/24/2010	4,158	8,318	6,348	49.55	5/24/2017	—	—	—	—
	5/24/2010	—	—	—	—		883	61,483	675	46,974
	12/1/2010	9,695	19,391	9,695	66.15	12/1/2017	—	—	—	—
	12/1/2010	—	—	—	—		1,890	131,609	944	65,731
	12/1/2011	—	20,656	20,656	68.75	12/1/2018	—	—	—	—
	12/1/2011	—	—	—	—		2,000	139,260	2,000	139,260
Mr. Wade	2/20/2007	66,021	—	—	38.03	2/20/2014	—	—	—	—
	2/19/2008	61,983	—	—	33.80	2/20/2015	—	—	—	—
	11/17/2008	—	—	47,982	25.81	11/17/2015	—	—	—	—
	11/17/2008	—	—	—	—		—	—	4,722	328,793
	12/1/2009	17,564	8,783	13,404	40.38	12/1/2016	—	—	—	—
	12/1/2009	—	—	—	—		929	64,686	1,416	98,624
	12/1/2010	7,029	14,058	7,029	66.15	12/1/2017	—	—	—	—
	12/1/2010	—	—	—	—		1,370	95,393	685	47,697
	12/1/2011	—	—	—	—		5,273	367,159	5,273	367,159
Ms. Kozikowski (f)	6/10/2009	—	6,453	19,356	43.50	6/10/2016	—	—	—	—
	6/10/2009	—	—	—	—		719	50,064	2,156	150,122
	12/1/2009	—	7,685	11,728	40.38	12/1/2016	—	—	—	