

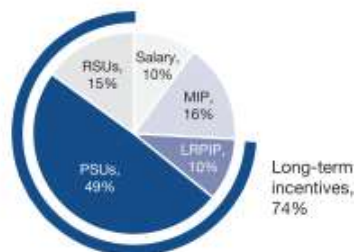
Compensation Discussion and Analysis

HIGHLIGHTS OF OUR FISCAL 2019 EXECUTIVE COMPENSATION PROGRAM

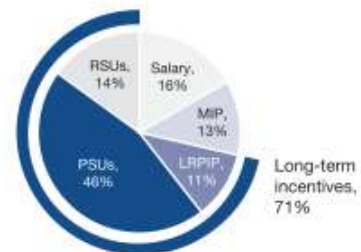
2019 TARGET TOTAL COMPENSATION PAY MIX

Our fiscal 2019 program maintains an emphasis on long-term performance incentives, which represent the largest percentage of target total compensation for our NEOs. Although the pay mix was updated for fiscal 2019, the total target grant value of long-term incentives for our CEO and Executive Chairman did not increase as compared to fiscal 2018. The charts below show the mix of fiscal 2019 target total compensation for our CEO and our other NEOs.

FY19 CEO Target Compensation



FY19 Other NEO Target Compensation



Additional details about the elements of our program can be found below starting on p. 31.

2019 PERFORMANCE METRICS

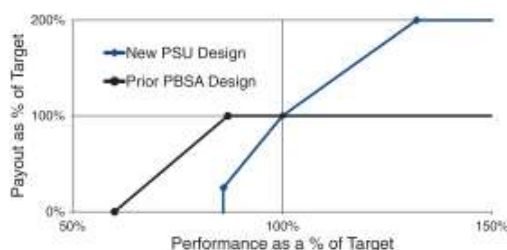
Our incentive plan metrics are intended to align with our long-term business strategy, and our fiscal 2019 program had a new mix of performance measures that seek to balance growth, profitability, and returns:

Pre-Tax Income	Total Sales	EPS Growth	ROIC
Core metric for our cash incentive plans and key driver for our business	Supplemental metric representing top line performance	Primary long-term measure reinforcing capital discipline and corporate results	Long-term modifier reinforcing attention to capital investments and generating returns

Additional details about these metrics and how they are used in our program are included below, starting on p. 31.

EMPHASIS ON PERFORMANCE INCENTIVES

Our PSU awards were new for fiscal 2019 and comprised the largest component of target total compensation for our NEOs. The design of our new PSU program added additional rigor and increased the pay sensitivity of our long-term performance incentives, compared to the design of our previous performance-based stock awards (PBSAs). The number of PSUs eligible to vest will be reduced for performance below target, and a higher threshold level of performance is required for any PSUs to vest, as compared to our prior PBSAs.



* Performance level for PSUs is expressed as a percent of target based on EPS at the end of the fiscal 2019-2021 performance period, which corresponds to the target EPS CAGR goal for the period.