

Tractor Supply Company Compensation Committee Charter

Status

The Compensation Committee is a committee of the Board of Directors (the “Board”).

Membership

The Compensation Committee (the “Committee”) shall have at least three members. Each member of the Committee shall be independent in accordance with the provisions of Rule 10C-1(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules of The Nasdaq Global Select Market. At least two members of the Committee must qualify as “non-employee directors” for the purposes of Rule 16b-3 under the Exchange Act, and as “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code, as amended.

The members of the Committee and its Chairperson shall be recommended by the Corporate Governance and Nominating Committee and approved by the Board. The Board may remove any member from the Committee at any time with or without cause.

Purpose

The purpose of the Committee is to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation and to provide oversight of the Company’s executive succession planning process and the Company’s compensation and benefit strategies, policies and program designs, including fiduciary duties that ultimately reside with the Board for Welfare and Retirement Plans as defined by the Employee Retirement and Income Security Act of 1974 (“ERISA”).

Duties and Responsibilities

The Committee shall have the following authority and responsibilities:

Executive Compensation

- Review and approve the Company’s executive compensation philosophy and strategy.
- Retain, direct the work of, approve the fees of, evaluate and terminate the services of an independent executive compensation consultant and any other independent advisors; provided, however, the Committee shall not be required to implement or act consistently with the advice or recommendations of any such independent advisors, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.
- Evaluate whether any such independent consultant retained or to be retained has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K and is “independent,” including as defined in the Dodd-Frank Act of 2010 and SEC Rules.
- Review and approve the peer group and other data sources for benchmarking executive pay and review executive pay competitiveness relative to industry benchmarks.
- Review executive pay relative to the Company’s and the executive’s performance.

- Set the compensation of the CEO and other senior executives; in evaluating executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.
- Establish the short-term incentive plan design for executives, including all performance measures and goals required to earn short-term incentive compensation.
- Establish any long-term incentive awards, including all terms and conditions of such awards, to ensure consistency with plan requirements.
- Certify performance results applicable to short-term and long-term incentive plans, and approve the corresponding payouts or vesting features under these plans.
- Review and approve employment offers to new or promoted senior executives.
- Approve any changes to employment contracts, change-in-control agreements and severance benefits for executives.
- Approve any changes to executive benefits and perquisites.
- Review and approve any changes to other executive compensation policies and practices (e.g. stock ownership requirements, clawback policies, etc.).
- Review compliance with stock ownership requirements.

Oversight of Compensation and Benefit Plans

- Review budgeted merit increases for all employees in the aggregate.
- Review aggregate short-term incentive payouts under all short-term incentive plans.
- Review and approve all equity awards to employees.
- As needed, review and interpret the plans, including the ability to modify or cancel outstanding awards based on unique facts and circumstances.
- Periodically review and approve general employee compensation and benefit plan changes (the Committee has the authority to approve an amendment to a defined contribution plan as long as the amendment does not increase the Company's annual contribution to such plan by more than 1% of covered compensation payable to eligible participants during the previous plan year).
- Assess whether any of the Company's compensation plans and policies are "reasonably likely to have a material adverse effect on the Company."
- Review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.
- Annually review the Plan Administrators fiduciary responsibility report regarding Welfare and Retirement Benefit Plans as defined by ERISA.

Proxy Reporting and Disclosure

- Review and discuss with management the Company's *Compensation Discussion & Analysis* (CD&A), and based on that review and discussion, recommend to the Board that the CD&A be included in the Company's annual proxy statement.
- Prepare the *Compensation Committee Report* in accordance with all applicable rules and regulations of the SEC for inclusion in the Company's annual proxy statement.
- Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.
- Review and make recommendations to the Board regarding any disclosure in the annual proxy statement or Form 10-K related to compensation-related risks and their impact on the Company.
- Review and make recommendations to the Board regarding the Company's response to any stockholder proposals related to compensation matters for inclusion in the annual proxy statement.

Outside Director Compensation

- Periodically review outside director compensation.
- Recommend any changes to outside director compensation for approval by the Board.

Executive Level Succession Planning

- Oversee and approve the succession planning process for the top sixteen executive positions.
- Annually conduct a succession planning discussion.
- Annually report to the Board on succession planning discussions.

Committee Meetings and Action

The Committee shall meet at least four times per year, and at such other times as may be requested by its Chairperson. The Committee may meet in person or by conference call. A majority of the Committee members shall constitute a quorum for the transaction of business. Each Committee member shall have one vote, and actions may be approved by the affirmative vote of a majority of the members present. The Committee may also act by unanimous written consent. All relevant discussions, deliberations, and actions of the Committee will be documented in meeting minutes.

Meetings will be attended by the Committee members. Upon invitation by the Committee Chair, meetings may also be attended by members of the Company's management and the Committee's independent consultants. In addition, all outside directors who are not Committee members ("non-member Directors") shall be invited to attend Committee meetings, provided that (i) the Committee shall meet without management or such non-member Directors during executive sessions, (ii) the Chairperson may request that management and non-member Directors leave the meeting at any time, and (iii) such non-member Directors may not vote on any actions considered by the Committee.

Oversight of Committee Matters

- The Committee shall have unrestricted access to members of management and all information relevant to its responsibilities.
- The Committee shall report regularly to the Board on its meetings and review with the Board significant issues and concerns that arise at Committee meetings.
- The Committee may form and delegate authority to subcommittees when appropriate.
- The Committee shall have authority and appropriate funds to retain and consult with outside legal, accounting or other advisors as the Committee may deem appropriate.
- The Committee shall conduct an annual evaluation of its performance in fulfilling its duties and responsibilities under this Charter, and shall assess the adequacy of the reporting and information provided by management to support the Committee's oversight responsibilities.
- The Committee shall, on an annual basis, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.