

Hanesbrands Inc.  
Form DEF 14A  
March 10, 2014  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(a)  
OF THE SECURITIES  
EXCHANGE ACT OF 1934

(Amendment No. )

Filed by the Registrant ☐

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

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

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Under Rule 14a-12

HANESBRANDS INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☒ No fee required

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

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

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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1000 East Hanes Mill Road  
Winston-Salem, North Carolina 27105

March 10, 2014

Dear Stockholder:

I am pleased to invite you to the 2014 Annual Meeting of Stockholders of Hanesbrands Inc., which will be held on Tuesday, April 22, 2014, at 8:30 a.m., Eastern time, at Hanesbrands' New York Design Center, 260 Madison Avenue, 14th floor, New York, New York 10016. The attached notice of annual meeting of stockholders and proxy statement will serve as your guide to the business to be conducted at the Annual Meeting.

Once again, we are furnishing proxy materials to our stockholders over the Internet. We believe that this "e-proxy" process expedites stockholders' receipt of proxy materials and lowers the costs and reduces the environmental impact of our Annual Meeting. On March 10, 2014, we mailed to our stockholders a notice of annual meeting and Internet availability containing instructions on how to access our proxy statement and annual report and authorize a proxy to vote their shares. The proxy statement and the notice of annual meeting and Internet availability also contain instructions on how you can receive a paper or electronic copy of the proxy statement and annual report.

If you requested and received a paper copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. You can also authorize a proxy by telephone or over the Internet as described in the enclosed materials.

We appreciate your continued support of and interest in Hanesbrands.

Sincerely yours,

Richard A. Noll  
Chairman of the Board of Directors and  
Chief Executive Officer

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HANESBRANDS INC.

NOTICE OF THE 2014

ANNUAL MEETING OF STOCKHOLDERS

The 2014 Annual Meeting of Stockholders of Hanesbrands Inc., a Maryland corporation (“Hanesbrands”), will be held on Tuesday, April 22, 2014, at 8:30 a.m., Eastern time, at Hanesbrands’ New York Design Center, 260 Madison Avenue, 14th floor, New York, New York 10016 for the following purposes:

1. to elect nine directors to serve until Hanesbrands’ next annual meeting of stockholders and until their successors are duly elected and qualify;
2. to vote on a proposal to approve, on an advisory basis, executive compensation as disclosed in the proxy statement for our 2014 Annual Meeting;
3. to vote on a proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our 2014 fiscal year; and
4. to transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Stockholders of record at the close of business on February 18, 2014 are entitled to notice of, and to vote at, the Annual Meeting.

Whether or not you plan to attend the meeting, we urge you to authorize a proxy to vote your shares via the toll-free telephone number or over the Internet, as described in the enclosed materials. If you requested and received a copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided.

By Order of the Board of Directors

HANESBRANDS INC.

Joia M. Johnson

Chief Legal Officer, General Counsel and

Corporate Secretary

March 10, 2014

Winston-Salem, North Carolina

ADMISSION TO THE 2014 ANNUAL MEETING

An admission ticket (or other proof of stock ownership) and some form of government-issued photo identification (such as a valid driver’s license or passport) will be required for admission to the Annual Meeting. Only stockholders who owned shares of Hanesbrands common stock as of the close of business on February 18, 2014 will be entitled to attend the Annual Meeting.

If your Hanesbrands shares are registered in your name and you requested and received your proxy materials by mail, an admission ticket is attached to your proxy card. Your admission ticket will serve as verification of your ownership. If your Hanesbrands shares are registered in your name and you received your proxy materials electronically, your notice of annual meeting and Internet availability will serve as your admission ticket and as verification of your ownership.

If your Hanesbrands shares are held in a bank or brokerage account or by another nominee and you wish to attend the Annual Meeting and vote your shares in person, contact your bank, broker or other nominee to obtain a written legal proxy in order to vote your shares at the Annual Meeting. If you do not obtain a legal proxy from your bank, broker or other nominee, you will not be entitled to vote your shares in person at the Annual Meeting, but you may still attend the Annual Meeting if you bring a recent bank or brokerage statement or similar evidence of ownership showing that you owned shares of Hanesbrands common stock on February 18, 2014.

No cameras, recording devices or large packages will be permitted in the meeting room. Bags will be subject to a search.

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You have received these proxy materials because the Board of Directors (the “Board”) of Hanesbrands Inc., a Maryland corporation (“Hanesbrands,” “we,” “us,” “our” or the “Company”), is soliciting your proxy to vote your shares at Hanesbrands 2014 Annual Meeting of Stockholders (the “Annual Meeting”) and at any postponement or adjournment thereof. To assist you in reviewing the proposals to be acted upon at the Annual Meeting, we call your attention to the following information about our director nominees, executive compensation practices and independent registered public accounting firm. The following description is only a summary. For more complete information about these topics, please review our annual report on Form 10-K and the complete proxy statement.

**ANNUAL MEETING OF STOCKHOLDERS**

**Date:** Tuesday, April 22, 2014

**Time:** 8:30 a.m., Eastern time

**Place:** Hanesbrands’ New York Design Center, 260 Madison Avenue, 14th floor, New York, New York 10016

**Record Date:** February 18, 2014

**Voting:** Stockholders of record at the close of business on the Record Date are entitled to vote at the Annual Meeting. Each share of Hanesbrands common stock outstanding at the close of business on the Record Date has one vote on each matter that is properly submitted for a vote at the Annual Meeting.

**Admission:** An admission ticket (or other proof of stock ownership) and some form of government-issued photo identification will be required for admission to the Annual Meeting. Only stockholders who owned shares of Hanesbrands common stock as of the close of business on the Record Date will be entitled to attend the Annual Meeting.

**VOTING MATTERS AND BOARD OF DIRECTORS RECOMMENDATION**

Matter	Board Vote Recommendation	Page Reference (for more detail)
Election of directors	FOR each director nominee	<u>4</u>
Advisory vote to approve executive compensation	FOR	<u>8</u>
Ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm	FOR	<u>9</u>

The Board of Directors is not aware of any matter that will be presented at the Annual Meeting that is not described above. If any other matter is properly presented at the Annual Meeting, the persons named as proxies on the proxy card will, in the absence of stockholder instructions to the contrary, vote the shares for which such persons have voting authority in accordance with their discretion on any such matter.

**DIRECTOR NOMINEES**

The following table provides summary information about each director nominee. Each director is elected annually by a plurality of the votes cast. However, pursuant to our Corporate Governance Guidelines, if in an uncontested election for director the number of votes affirmatively withheld as to a nominee for director (whether or not an incumbent) exceeds the number of votes affirmatively cast for such nominee, the nominee will offer, following certification of the election results, to submit his or her resignation to the Board for consideration.

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Name	Age	Director Since	Occupation	Independent	Committee Memberships
Bobby J. Griffin	65	2006	Former President, International Operations, Ryder System Inc.	Yes	AC
James C. Johnson	61	2006	Former General Counsel, Loop Capital Markets LLC	Yes	CC, GNC*
Jessica T. Mathews	67	2006	President, Carnegie Endowment for International Peace	Yes	AC
Robert F. Moran	63	2013	Former Chairman and Chief Executive Officer, PetSmart, Inc.	Yes	AC
J. Patrick Mulcahy	70	2006	Chairman of the Board, Energizer Holdings, Inc.	Yes	CC, GNC
Ronald L. Nelson	61	2008	Former Chief Executive Officer, Energizer Holdings, Inc.	Yes	AC*
Richard A. Noll	56	2005	Chairman and Chief Executive Officer, Avis Budget Group, Inc.	No	None
Andrew J. Schindler	69	2006	Chairman and Chief Executive Officer, Hanesbrands Inc.	Yes	CC*, GNC
Ann E. Ziegler	55	2008	Former Executive Chairman, Reynolds American Inc.	Yes	AC
			Former Chairman and Chief Executive Officer, R.J. Reynolds Tobacco Company		
			Senior Vice President and Chief Financial Officer, CDW Corporation		

AC Audit Committee

CC Compensation Committee

GNC Governance and Nominating Committee

\* Chair of the committee

Each director nominee is a current director and in 2013 attended 75% or more of the aggregate of all meetings of the Board and of each committee during the periods that such director served on the Board or such committee.

Our Board of Directors unanimously recommends a vote FOR election of these nominees.

## EXECUTIVE COMPENSATION MATTERS

## 2013 Performance Highlights

## Comparison of 2013 and 2012 Performance

Dollars in Thousands, except EPS-XA

	Fiscal Year Ended		% Change	
	December 28, 2013	December 29, 2012		%
Sales	\$4,627,802	\$4,525,721	2.3	
EPS-XA*	3.91	2.62	49.2	
Free cash flow*	553,743	513,037	7.9	

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In addition, we achieved the following financial and strategic results in 2013:

The success of our Innovate-to-Elevate platforms allowed Hanesbrands to achieve record profitability with an adjusted operating profit\* of \$596 million in 2013 for an adjusted operating margin\* of 12.9%, up 320 basis points from 2012.

Strong free cash flow allowed us to institute a regular quarterly dividend and end the year with approximately \$1 billion in bond debt - within our target range for a ratio of long-term debt to EBITDA of 1.5 to 2.5 times.

We successfully completed the acquisition of Maidenform Brands, Inc. (“Maidenform”), a company with strong brands and a rich tradition in intimate apparel. We expect the acquisition to complement our Innovate-to-Elevate strategy, which incorporates our world-class brands, low-cost supply chain and product innovation.

The share price of our common stock rose 98.3% during fiscal 2013 and has risen 173.0% over the past three fiscal years.

\*EPS-XA, free cash flow and adjusted operating profit and margin are non-GAAP measures, some of which are used as performance measures in our executive compensation programs. For a reconciliation to the most directly comparable GAAP measures, see [Appendix A](#).

As a result of our record performance for the fiscal year ended December 28, 2013, each of our named executive officers earned, in the aggregate, 175.5% of the target amounts for their 2013 Annual Incentive Plan and Long-Term Incentive Program opportunities.

Advisory Vote to Approve Executive Compensation

Pay for Performance

At Hanesbrands, we emphasize a “pay-for-performance” culture, establishing a link between a substantial percentage of an executive’s compensation and stockholders’ value growth. Specifically:

To motivate our executive officers and align their interests with those of our stockholders, we provide annual incentives designed to reward our executive officers for the attainment of short-term goals and long-term incentives designed to reward them for both meeting performance goals and increasing stockholder value over time.

Performance-based compensation represents a substantial portion of our named executive officers’ total target direct compensation.

Our compensation program is designed to reward exceptional performance for sustained periods of time. By combining a three-year period for full vesting of equity awards with a mandatory one-year holding period following vesting (and policies prohibiting hedging or pledging of such shares), a substantial portion of the value of our executives’ compensation package is tied to stock price appreciation, and therefore at-risk, for a significant period of time. The Compensation Committee believes this design provides a desirable way to link executive compensation to long-term stockholder returns.

Best Practices in Executive Compensation

Hanesbrands’ executive compensation practices include a number of features we believe reflect responsible compensation and governance practices and promote the interests of stockholders.

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### Our practices include:

- Performance-based pay - At least half of our named executive officers' long-term incentive compensation is performance-based and must be earned every year based on objective, challenging performance criteria and metrics.
- Significant vesting periods - Equity awards made to our executive officers fully vest over a period of not less than three years.
- Robust stock ownership guidelines - Our Chief Executive Officer's stock ownership guideline is six times his base salary, and the ownership guideline for our other named executive officers is three times his or her base salary. Until the guideline is met, an executive is required to retain 50% of any shares received (on a net after-tax basis) under our stock-based compensation plans.
- Holding requirement - We require all Hanesbrands senior executives to retain 100% of the net after-tax shares of Hanesbrands stock received through the exercise of options or the vesting of restricted stock units or other equity awards granted after December 1, 2010 for at least one year from the date of exercise or vesting.
- Clawback policy - We have adopted a clawback policy that allows us to recover incentive compensation in the event we are required to prepare an accounting restatement due to material noncompliance with any financial requirement under the securities laws.
- Prohibition on hedging and pledging - Our insider trading policy prohibits all of our directors, officers and employees from pledging our securities or engaging in "short sales" or "sales against the box" or trading in puts, calls, warrants or other derivative instruments on our securities.
- Engagement of an independent compensation consultant - Our Compensation Committee engages an independent compensation consultant, who provides no other services to Hanesbrands, to advise on executive compensation matters. The independent compensation consultant reports to the Compensation Committee, who has the exclusive authority to retain or terminate the consultant.

### Our practices exclude:

- Repricing or replacing of underwater stock options or stock appreciation rights without stockholder approval
- Providing excessive perquisites to executives
- Employment agreements for our named executive officers
- Single trigger change in control payments
- Gross up payments to cover personal income taxes (other than due on relocation reimbursements as provided under a broad-based program) or excise taxes that pertain to executive or severance benefits (other than pursuant to change in control agreements entered into prior to December 1, 2010)

Our Board of Directors unanimously recommends a vote FOR approval, on an advisory basis, of the compensation of Hanesbrands' named executive officers, as disclosed in our proxy statement for the Annual Meeting.

### AUDITOR

The Audit Committee has appointed PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") as our independent registered public accounting firm for our 2014 fiscal year. While not required by law, the Board of Directors is asking our stockholders to ratify the selection of PricewaterhouseCoopers as a matter of good corporate practice. Below is summary information about PricewaterhouseCoopers' fees for services provided in 2012 and 2013.

	Fiscal Year Ended December 28, 2013	Fiscal Year Ended December 29, 2012
Audit fees	\$3,034,720	\$2,522,000
Audit-related fees	6,550	19,800
Tax fees	594,058	680,200
All other fees	75,000	98,900
Total fees	\$3,710,328	\$3,320,900



Our Board of Directors unanimously recommends a vote FOR ratification of the appointment of PricewaterhouseCoopers as our independent registered public accounting firm for our 2014 fiscal year.

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2015 ANNUAL MEETING

Stockholder proposals submitted for inclusion in our 2015 proxy statement pursuant to Securities and Exchange Commission Rule 14a-8 must be received by us by November 10, 2014.

Notice of stockholder proposals to be raised from the floor of the 2015 Annual Meeting outside of Rule 14a-8 must be delivered to us on or after October 11, 2014 and prior to 5:00 p.m., Eastern time, on November 10, 2014 unless the date of the 2015 Annual Meeting is advanced or delayed by more than 30 days from the anniversary date of the 2014 Annual Meeting. See “Stockholder Proposals for Next Annual Meeting” for additional details.

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