

ABERCROMBIE & FITCH CO /DE/  
Form DEF 14A  
May 02, 2016  
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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 §240.14a-12

**Abercrombie & Fitch Co.**

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

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- (2) Aggregate number of securities to which transaction applies:
  
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**Abercrombie & Fitch Co.**

**6301 Fitch Path**

**New Albany, Ohio 43054**

**(614) 283-6500**

May 2, 2016

Dear Fellow Stockholders:

You are cordially invited to attend the 2016 Annual Meeting of Stockholders to be held at 10:00 a.m., Eastern Daylight Time, on Thursday, June 16, 2016, at our offices located at 6301 Fitch Path, New Albany, Ohio 43054 (the Annual Meeting). We hope that you will be able to attend and participate in the Annual Meeting, at which time we will have the opportunity to review the business and operations of our Company.

Details of the business to be conducted at the Annual Meeting are provided in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement, which you are urged to read carefully.

We have elected to take advantage of Securities and Exchange Commission (SEC) rules that allow us to furnish proxy materials to certain stockholders on the Internet. On or about the date of this letter, we began mailing a Notice of Internet Availability of Proxy Materials (the Notice) to stockholders of record at the close of business on April 18, 2016. At the same time, we provided those stockholders with access to our online proxy materials and filed our proxy materials with the SEC. We believe furnishing proxy materials to our stockholders on the Internet will allow us to provide our stockholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of the Annual Meeting. If you have received the Notice, you will not receive a printed copy of the proxy materials unless you request it by following the instructions for requesting such materials contained in the Notice.

**It is important that your shares be represented at the Annual Meeting whether or not you are personally able to attend. Accordingly, after reading the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement, please promptly submit your proxy by telephone, Internet or mail as described in the Proxy Statement. If you submit your proxy over the Internet, you will have the opportunity to agree to receive future stockholder documents electronically via e-mail, and we encourage you to do so.**

If you have any questions or require any assistance with voting your shares, please contact Innisfree M&A Incorporated, our proxy solicitor, toll-free at (888) 750-5834 or directly at (412) 232-3651. Banks and brokers may call collect at (212) 750-5833.

Arthur C. Martinez

*Executive Chairman of the Board*

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**2016 PROXY STATEMENT SUMMARY**

*This summary highlights information contained elsewhere in the Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting.*

**Annual Meeting of Stockholders**

Time and Date	10:00 a.m., Eastern Daylight Time, June 16, 2016
Place	6301 Fitch Path  New Albany, Ohio 43054
Record Date	April 18, 2016
Voting	Stockholders as of the record date are entitled to one vote per share. Each share of Class A Common Stock, \$0.01 par value per share (the Common Stock ), is entitled to one vote for each director nominee and one vote with respect to each of the other proposals to be voted on.
How to Cast Your Vote	Even if you plan to attend the Annual Meeting in person, please vote as soon as possible and, in any event, prior to 11:59 p.m., Eastern Daylight Time, on June 15, 2016. You can vote in one of the following ways prior to the date of the Annual Meeting:

<b>Internet</b>	<b>Telephone</b>	<b>Mail</b>
Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> : You can use the Internet 24 hours a day to transmit your voting instructions. Have your proxy card or Notice of Internet Availability of Proxy Materials in hand when you access the web site and follow the instructions.	Call 1-800-690-6903: You can use any touch-tone telephone. Have your proxy card or Notice of Internet Availability of Proxy Materials in hand when you call and follow the instructions.	If you received a printed copy of the proxy materials, you may submit your vote by completing, signing and dating your proxy card and returning it in the prepaid envelope to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, New York 11717.

**Table of Contents****Meeting Agenda and Voting Matters**

	<b>Board Vote Recommendation</b>	<b>Page Reference (for more detail)</b>
Election of Ten Directors	FOR EACH OF THE BOARD'S NOMINEES	21
Other Management Proposals:		
Approval of Amendments to the Company's Amended and Restated Bylaws to Implement Proxy Access	FOR	51
Approval of Advisory Resolution on Executive Compensation	FOR	55
Approval of Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors	FOR	89
Approval of Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates	FOR	98
Ratification of Appointment of PricewaterhouseCoopers LLP as the Company's Independent Registered Public Accounting Firm for the Fiscal Year Ending January 28, 2017	FOR	112
Stockholder Proposal:		
Adoption of Policy Regarding Accelerated Vesting of Equity Awards of Senior Executive Officers upon a Change in Control	AGAINST	112

**Leadership of the Company by the Office of the Chairman**

Currently, the Company does not have a Chief Executive Officer or an Interim Chief Executive Officer. On December 8, 2014, our Board of Directors (the "Board") appointed Arthur C. Martinez, who was then serving as Non-Executive Chairman of the Board, to serve as Executive Chairman of the Board (also referred to as the Company Chairman) and Jonathan E. Ramsden, who serves as Chief Operating Officer of the Company, to also serve as Interim Principal Executive Officer of the Company. The Board also formed an Office of the Chairman to allow for effective management of our business during a transition in leadership and our move to a brand-based organizational model. The Office of the Chairman is responsible for overseeing and providing strategic direction to management.

As a result of his appointment as Executive Chairman of the Board, Mr. Martinez is leading the Office of the Chairman in his capacity as the representative of the Board. In addition, certain officers of the Company, including certain members of the Office of the Chairman, report to Mr. Martinez in his capacity as the representative of the Board. Mr. Martinez continues to provide experienced and independent leadership for the Company in his capacity as the representative of the Board.



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The current members of the Office of the Chairman are:

Arthur C. Martinez, Executive Chairman of the Board

Jonathan E. Ramsden, Chief Operating Officer and Interim Principal Executive Officer

Fran Horowitz, President and Chief Merchandising Officer

Joanne C. Crevoiserat, Executive Vice President and Chief Financial Officer

John M. Gabrielli, Senior Vice President, Human Resources

On December 16, 2015, Fran Horowitz, who was then serving as President of the Hollister brand, was promoted to the newly-created position of President and Chief Merchandising Officer. In her new position, Ms. Horowitz has responsibility for all customer-facing activities for all of our brands and continues to report to Mr. Martinez in his capacity as the representative of the Board. We expect to name a new president for each of our brands, who will report to Ms. Horowitz. The working group established by the Board in 2014 to conduct a search and selection process for a new Chief Executive Officer has suspended its search to allow the reconstituted Office of the Chairman time to exercise leadership of the Company.

## **Our Performance Highlights for Fiscal 2015**

The Company capped a year of sequential comparable sales improvement with a return to positive comparable sales in the fourth quarter of Fiscal 2015. This result, achieved against the backdrop of a challenging retail environment, underscores the significant progress we made across all of our strategic initiatives throughout the year and continues to validate that we are on the right course. Fiscal 2015 was a year of tremendous change as the Company completed our move to a branded structure, strengthened our teams and improved core processes. Importantly, we evolved our assortment and we refocused our attention on our customer through greater accountability and empowerment at the store level, and through changes in our in-store experience. In addition, we continued to invest in direct-to-consumer and omni-channel and execute our aggressive store closure program. We accomplished many of our priorities in Fiscal 2015 and we are confident that we will continue to make progress in fulfilling the potential of our brands.

**Table of Contents****Election of Directors to One-Year Term**

**Director Election:** Ten directors are to be elected at the Annual Meeting. Each director nominee is to be elected to our Board for a one-year term and will be eligible for re-election to our Board in 2017.

**Majority Voting Standard Applies:** The Annual Meeting is expected to be uncontested with respect to the election of directors. As a result, each director nominee must be elected by a majority of the votes cast (*i.e.*, the votes cast for such nominee's election must exceed the votes cast against such nominee's election). Broker non-votes and abstentions will not be treated as votes cast.

Upon the unanimous recommendation of the Nominating and Board Governance Committee, the Board has unanimously nominated the following nominees for election as directors at the Annual Meeting:

Name	Age	Director Since
Arthur C. Martinez Executive Chairman of the Board Chair of the Executive Committee Independent Director	76	2014
James B. Bachmann Chair of the Audit and Finance Committee Independent Director	73	2003
Bonnie R. Brooks Independent Director	62	2014
Terry L. Burman Chair of the Nominating and Board Governance Committee Independent Director	70	2014
Sarah M. Gallagher Independent Director	64	2014
Michael E. Greenlees Chair of the Compensation and Organization Committee Independent Director	69	2011
Archie M. Griffin Chair of the Corporate Social Responsibility Committee Independent Director	61	2000
Charles R. Perrin Independent Director	70	2014
Stephanie M. Shern Independent Director	68	2014
	71	2009

Craig R. Stapleton  
Independent Director

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Please see the description of the respective backgrounds of the Nominees beginning on page 22 of the Proxy Statement under the caption **Nominees** . We believe that the Nominees bring particular expertise, leadership skills and institutional knowledge that make them invaluable to the Company. In particular:

Mr. Martinez has served as the Chairman of the Board of the Company since January 27, 2014 and currently serves as the Executive Chairman of the Board (also referred to as the Company Chairman), a position he has held since December 8, 2014. He is also a member of the Office of the Chairman (serving as the representative of the Board) and serves as Chair of the Executive Committee of the Board. His significant experience working in the retail industry and advising and counseling members of senior management makes him a valuable resource to our executive officers. As a result of his significant professional experience with Sears, Roebuck and Co. and Saks Fifth Avenue, Inc. in the retail environment, Mr. Martinez is very familiar with issues related to business strategy, leadership, marketing, finance and operations faced by the Company. Mr. Martinez's service on the boards of several leading public companies enables him to provide critical corporate governance, compliance and compensation insights as well as ensure that the Company's Board meetings are efficiently and effectively run.

Mr. Bachmann serves as the Chair of our Audit and Finance Committee and as a member of our Corporate Social Responsibility Committee and our Executive Committee. He currently serves as the Lead Independent Director and Chair of the Audit Committee of Lancaster Colony Corporation. His significant public company accounting and financial expertise, thorough review of the financial and risk management issues applicable to the Company and diligent engagement with management have helped the Company navigate the increasingly complex financial and risk management issues we face.

Ms. Brooks serves as a member of our Nominating and Board Governance Committee. She currently serves as Vice Chair of Hudson's Bay Company, a North American retailer based in Canada. Ms. Brooks brings to the Board substantial experience in the retail industry, having served as chief executive officer and president of three large companies operating branded and upscale department stores in the United States, Canada, Europe and Asia. In addition, as a native and current resident of Canada having tenure with Canada-based, Asia-based and U.K.-based retailers, Ms. Brooks provides the Company with additional expertise with respect to the nuances of conducting retail operations in international markets. In addition to her retail market operational expertise, Ms. Brooks' public company board experience makes her highly qualified to serve as a director of the Company.

Mr. Burman serves as the Chair of our Nominating and Board Governance Committee and as a member of our Compensation and Organization Committee. He most recently served as Chairman of the Board and as a director of Zale Corporation, a specialty retailer of fine jewelry in North America. His experience as a chief executive officer in the retail industry, his significant international management experience, and his general business and financial acumen are very valuable to the Company and provide the Board with important insight into specialty retail industries as well as strategy and business development.

Ms. Gallagher serves as a member of our Corporate Social Responsibility Committee and our Nominating and Board Governance Committee. She most recently served as Executive Chairperson of the Rebecca Taylor woman's fashion brand. Ms. Gallagher's over 40 years of retail experience, including more than 30 years with Fortune 500 brands, and status as one of the early movers in the e-Commerce space with more than 15 years of service in that aspect of the retail business, bring valuable expertise and insight to the Board as the Company continues to expand its focus on direct-to-consumer business opportunities, both within the United States and internationally.

Mr. Greenlees serves as the Chair of our Compensation and Organization Committee and as a member of our Audit and Finance Committee. Mr. Greenlees currently serves as an Executive Director of Ebiquity plc, a U.K.-based company that provides data-driven insights to the global media and marketing community, after having served as Chief Executive Officer of Ebiquity plc from 2007 to December 2015. Mr. Greenlees' experience in the role of Chief Executive Officer of Ebiquity plc and service with several public companies, in addition to his significant experience within the global media and marketing community, are very valuable to the Company. In addition, as a U.K. native and current resident, Mr. Greenlees adds to the Company's international experience and profile.



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Mr. Griffin serves as the Chair of our Corporate Social Responsibility Committee and as a member of our Nominating and Board Governance Committee. Mr. Griffin is one of the most well-respected and well-recognized individuals in the State of Ohio, currently serving as Senior Advisor within the Office of Advancement at The Ohio State University. Mr. Griffin's experience on the Board and institutional knowledge of the Company are also valuable.

Mr. Perrin serves as a member of our Audit and Finance Committee and our Compensation and Organization Committee. He currently serves as a director of Campbell Soup Company. Mr. Perrin brings to the Board substantial experience in and perspective on consumer marketing, business operations and the packaged goods industry. Mr. Perrin served in leadership positions at The Warnaco Group, Inc., Avon Products, Inc. and Duracell International, Inc. His extensive background in retail, sales and marketing are very valuable to the Company.

Mrs. Shern serves as a member of our Audit and Finance Committee. Previously, she was the Vice Chairman and a Partner with Ernst & Young LLP, a member of Ernst & Young's board and management committee and the Global Director of Retail and Consumer Products. Mrs. Shern spent a significant portion of her nearly 40-year career focused on retail and consumer industries in both the United States and abroad. As a result, she has very strong leadership, international, marketing/consumer industry and retail experience. As a CPA and Chair of the Audit Committee of each of GameStop Corp. and Koninklijke Ahold N.V. (Royal Ahold), and the former Chair of the Audit and Finance Committee of The Scotts Miracle-Gro Company, Mrs. Shern has extensive financial experience.

Mr. Stapleton serves as a member of our Audit and Finance Committee, our Compensation and Organization Committee, our Executive Committee and our Nominating and Board Governance Committee, and served as the Company's Lead Independent Director from February 23, 2010 to January 27, 2014. He currently serves as Senior Advisor to Stone Point Capital, a private equity firm. During his service as the Company's first Lead Independent Director, Mr. Stapleton exemplified strong, effective leadership as the complexity of the issues faced by the Company continued to increase while the Company expanded internationally. Mr. Stapleton's experience as United States Ambassador to several countries in Europe provides a valuable perspective while the Company continues its international expansion. His real estate and private equity backgrounds give him a broad perspective on real estate and capital strategies.

## **Other Company Proposals**

***Approval of Amendments to the Company's Amended and Restated Bylaws to Implement Proxy Access*** : We are asking stockholders to approve amendments to our Amended and Restated Bylaws to implement a proxy access right for stockholders. A summary of the proposed amendments may be found beginning on page 51 of the Proxy Statement. The complete text of the proposed amendments is set forth in Appendix A to the Proxy Statement. The Board recommends a vote **FOR** for this proposal.

***Approval of Advisory Resolution on Executive Compensation***: We are asking stockholders to approve an advisory resolution on the compensation of the Company's named executive officers as disclosed in this Proxy Statement. The Board recommends a vote **FOR** this proposal because we believe the Company's executive compensation policies and practices are effective in aligning the interests of our executive officers with the achievement of our financial goals and the creation of long-term stockholder value.

***Approval of Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors***: We are asking stockholders to approve the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors. The Board recommends a vote **FOR** this proposal because we believe that it is important to continue to offer equity as a part of the compensation program for our non-associate directors to reinforce alignment with our stockholders.



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***Approval of Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates:*** We are asking stockholders to approve the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates. The Board recommends a vote **FOR** this proposal to enable the Company to continue to pay competitively and assist in attracting, retaining and motivating highly talented executives and associates.

***Ratification of Appointment of Independent Registered Public Accounting Firm:*** As a matter of good governance, we are asking stockholders to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending January 28, 2017. The Board recommends a vote **FOR** this proposal.

## **Stockholder Proposal**

***Adoption of Policy Regarding Accelerated Vesting of Equity Awards of Senior Executive Officers upon a Change in Control:*** We expect that The Teamster Affiliates Pension Plan will present a proposal at the Annual Meeting with respect to the adoption of a policy regarding accelerated vesting of equity awards of senior executive officers upon a change in control. The Board recommends a vote **AGAINST** this stockholder proposal.

## **Ongoing Stockholder Engagement**

The Company continued in the fiscal year ended January 30, 2016 ( Fiscal 2015 ) to have extensive dialogue with our stockholders. Over the past twelve months, the Company estimates that it held discussions with stockholders who, in the aggregate, represented at least 50% of the shares eligible to be voted at the Annual Meeting. The Company expects to continue such discussions prior to the Annual Meeting and, as a matter of policy and practice, fosters and encourages engagement with our stockholders on compensation and other matters.

## **Executive Compensation Highlights**

We believe that our executive compensation policies and practices appropriately align the interests of our executive officers with the achievement of our financial goals and the creation of long-term stockholder value. They reflect a continued focus on performance and support the Company's transition to a brand-based organization. We offer compensation opportunities that are competitive with those offered by similar specialty retail organizations and other companies with which the Company competes for high caliber executive talent.

In evaluating this year's Say on Pay proposal, we recommend that you review our **COMPENSATION DISCUSSION AND ANALYSIS** section that begins on page 56 of the Proxy Statement, which explains how and why the Compensation and Organization Committee arrived at its executive compensation decisions for Fiscal 2015 and beyond.

The Compensation and Organization Committee changed the design of our executive compensation program for Fiscal 2014 to improve the alignment with business performance and to respond to stockholder concerns. The new program was well received, with stockholders representing over 90% of the votes cast voting in favor of the Company's executive compensation program at the 2015 Annual Meeting of Stockholders. As a result, the Company made a limited number of changes for Fiscal 2015.



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One change made in Fiscal 2015 related to our annual cash incentive program (the IC Program ) under the Company s Incentive Compensation Performance Plan (the Incentive Plan ). The Compensation and Organization Committee changed the structure of the IC Program for the named executive officers ( NEOs ) and other members of the Leadership Team to provide more flexibility during a year of leadership transition and a challenging retail climate. The approach for Fiscal 2015 was designed to provide the Compensation and Organization Committee with the opportunity in an uncertain year to reward (or decline to reward) NEOs and selected other senior executives as appropriate based on performance, in alignment with stockholder interests.

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Under the IC Program, the Compensation and Organization Committee established a minimum performance hurdle that must be met before annual cash incentives can be earned. Once the minimum performance hurdle for Fiscal 2015 was achieved, the IC Program enabled the Compensation and Organization Committee to evaluate Company financial performance as measured by adjusted Earnings Before Interest and Taxes ( EBIT ), with upward or downward adjustments for holistic achievement on a basket of strategic and operational performance measures and individual performance:

With respect to long-term incentives in Fiscal 2015, NEOs serving as members of the Office of the Chairman at the time of the annual grant of awards in March of 2015 were granted 50% of their total award in the form of performance share awards ( PSAs ), 25% in the form of stock appreciation rights ( SARs ) and 25% in the form of time-based restricted stock units ( RSUs ). Other members of the Leadership Team were granted 33 1/3% of their total award in the form of PSAs, 33 1/3% in the form of SARs and 33 1/3% in the form of time-based RSUs. The Compensation and Organization Committee determined that this mix of awards effectively balances critical performance metrics and objectives for retention as summarized below.

Key Incentive Elements	Short-Term Incentive	Long-Term Incentives
<b>Form of Compensation Delivered</b>	Annual IC Program under the Incentive Plan  Cash award	Equity Incentives  PSAs, SARs and RSUs
<b>Performance Metrics</b>	Company Performance Scorecard  Ø <i>Company Financial Metric:</i> Adjusted EBIT  Ø <i>Strategic/Operational Measures:</i> Customer Experience, Associate/Workplace Satisfaction, Retention, Diversity, Talent Development and Succession  Individual Performance	for PSAs:  Ø 50% Relative Total Stockholder Return ( TSR ) vs. the S&P Retail Select Industry Index  Ø 50% Return on Invested Capital ( ROIC )  Ø Subject to 3-year cliff vesting  SARs and RSUs vest ratably over 4 years

## Pay for Performance Alignment

As discussed beginning on page 58 of the Proxy Statement under the caption **COMPENSATION DISCUSSION AND ANALYSIS Executive Summary** *Pay for Performance Culture* , Fiscal 2015 was a year of tremendous change as the Company worked to reposition its brands during a difficult retail climate and in the context of significant changes in leadership.

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The Company's compensation programs are closely aligned with the Company's performance. Annual cash incentive payments under the IC Program reflected the Compensation and Organization Committee's evaluation of Company financial performance at 85% of target, as well as the assessment of individual performance. Performance periods associated with most outstanding PSAs have not been completed, but most awards were trending below target at the end of Fiscal 2015. In addition, the threshold goal with respect to improvement in EBIT margin (EBIT Margin Improvement) for the second tranche of PSAs granted to NEOs in Fiscal 2014 was not achieved and that portion of those PSA awards was forfeited.

Short-Term Incentives Earned for NEOs		PSAs earned by NEOs	
Fiscal 2015	Company Performance Factor 85% of target based on performance against adjusted EBIT goals and strategic and operational performance measures	Fiscal 2015	PSAs tied to Relative TSR trending at target
	Individual awards ranging from 0% to 131% of target, depending on individual performance	Fiscal 2017	PSAs tied to ROIC trending below target
	Average individual award of 91% of target	Fiscal 2014	PSAs tied to Relative TSR trending below target
		Fiscal 2016	PSAs tied to Return on Equity (ROE) trending below threshold
			2 <sup>nd</sup> tranche of PSAs tied to EBIT Margin Improvement forfeited

**Our Commitment to Best Practices in Corporate Governance**

In addition to the changes in our organization and in our executive compensation programs discussed above, we have made many changes to our policies and practices related to corporate governance and executive compensation. We have consistently followed best practices in corporate governance. We have:

Adopted majority voting in uncontested director elections.

Adopted the phased declassification of our Board, which was completed at the 2014 Annual Meeting of Stockholders.

Adopted stock ownership guidelines for executive officers and directors.

Adopted a director resignation policy.

Adopted a director retirement policy.

Recommended, and our stockholders adopted, an annual Say on Pay vote.

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Implemented a stringent clawback policy that allows the Company to seek repayment of any incentive amounts that were erroneously paid, without any requirement of misconduct on the part of the plan participant.

Implemented a comprehensive derivatives and hedging policy as well as an anti-pledging policy that prohibits directors and officers, among others, from hedging and pledging any equity securities of the Company held by them.

Adopted a director confidentiality policy.

Accelerated the expiration of the Company's preferred stock purchase rights from the close of business on July 16, 2018 to the close of business on January 28, 2014.

Established an Enterprise Risk Management Committee comprised of senior management of the Company.

Implemented the Notice & Access framework for delivery of proxy materials to stockholders in connection with the solicitation of proxies on behalf of our Board for use at the 2016 Annual Meeting.

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**Abercrombie & Fitch Co.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

May 2, 2016

TO OUR STOCKHOLDERS:

The 2016 Annual Meeting of Stockholders (the Annual Meeting ) of Abercrombie & Fitch Co. (the Company ) will be held at the offices of the Company located at 6301 Fitch Path, New Albany, Ohio 43054, on Thursday, June 16, 2016, at 10:00 a.m., Eastern Daylight Time, for the following purposes:

1. To elect ten directors, each to serve for a term of one year to expire at the 2017 Annual Meeting of Stockholders.
2. To approve amendments to the Company s Amended and Restated Bylaws to implement proxy access.
3. To approve the advisory resolution on executive compensation.
4. To approve the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors.
5. To approve the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates.
6. To ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year ending January 28, 2017.
7. To consider one stockholder proposal, if the stockholder proposal is properly presented for consideration at the Annual Meeting.
8. To transact any other business which properly may be brought before the Annual Meeting.

The Proxy Statement accompanying this Notice of Annual Meeting of Stockholders describes each of these items in detail. The Company has not received notice of any other matters that may be properly presented at the Annual Meeting.

Only stockholders of record at the close of business on April 18, 2016, the date established by the Company s Board of Directors as the record date, are entitled to receive notice of, and vote at, the Annual Meeting. All stockholders are invited to attend the Annual Meeting, although only stockholders of record will be entitled to vote at the Annual Meeting.

We began mailing a Notice of Internet Availability of Proxy Materials (the Notice ) on or about May 2, 2016 to stockholders of record at the close of business on April 18, 2016. The Notice contains information on how to access our Proxy Statement, our Annual Report on Form 10-K for the fiscal year ended January 30, 2016 and the form of proxy on the Internet, as well as instructions on how to request a paper copy of the proxy materials.

Robert E. Bostrom

*Senior Vice President, General Counsel*

*and Corporate Secretary*

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**YOUR VOTE IS IMPORTANT**

**Before you vote**, access the proxy materials in one of the following ways prior to the Annual Meeting:

**To view Online:** Have available the information that is printed in the box marked by the arrow provided in your Notice and visit: [www.proxyvote.com](http://www.proxyvote.com). You may visit [www.proxyvote.com](http://www.proxyvote.com) 24 hours a day, seven days a week, prior to 11:59 p.m., Eastern Daylight Time, on June 15, 2016.

**To request and receive a PAPER or E-MAIL copy:**

You **MUST request** a paper or e-mail copy of the proxy materials. There is **NO** charge for requesting a copy. Please choose one of the following methods to make your request:

- |                          |  |
|--------------------------|--|
| (1) <b>By Internet:</b>  | <a href="http://www.proxyvote.com">www.proxyvote.com</a>                   |
| (2) <b>By Telephone:</b> | <b>1-800-579-1639</b>  |
| (3) <b>By E-Mail*:</b>   | <a href="mailto:sendmaterial@proxyvote.com">sendmaterial@proxyvote.com</a> |

- \* If you request proxy materials by e-mail, please send a blank e-mail including in the subject line the information that is printed in the box marked by the arrow provided in your Notice. Requests, instructions and other inquiries sent to this e-mail address will **NOT** be forwarded to your investment advisor. Please make the request as instructed above on or before June 2, 2016 to facilitate timely delivery of the proxy materials.



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**Abercrombie & Fitch Co.**

**6301 Fitch Path**

**New Albany, Ohio 43054**

**(614) 283-6500**

**PROXY STATEMENT**

**Dated May 2, 2016**

**ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On June 16, 2016**

This Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors (the Board) of Abercrombie & Fitch Co. (the Company) for use at the 2016 Annual Meeting of Stockholders to be held at the offices of the Company located at 6301 Fitch Path, New Albany, Ohio 43054, on Thursday, June 16, 2016, at 10:00 a.m., Eastern Daylight Time (the Annual Meeting or the 2016 Annual Meeting). On or about May 2, 2016, we began mailing to holders of record of shares of Class A Common Stock, par value \$0.01 per share (the Common Stock), of the Company at the close of business on April 18, 2016, a Notice of Internet Availability of Proxy Materials containing instructions on how to access the Notice of Annual Meeting of Stockholders, this Proxy Statement, the form of proxy and our Annual Report on Form 10-K for the fiscal year ended January 30, 2016 (Fiscal 2015) over the Internet.

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor using the contact information listed below:

**INNISFREE M&A INCORPORATED**

501 Madison Avenue, 20th Floor

New York, NY 10022

**Stockholders May Call Toll-Free: (888) 750-5834 (from the United States and Canada)**

**Stockholders May Call: (412) 232-3651 (from other locations)**

**Banks and Brokers May Call Collect: (212) 750-5833**

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### **GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING**

#### **When and where will the Annual Meeting be held?**

The Annual Meeting will be held on Thursday, June 16, 2016 at 10:00 a.m., Eastern Daylight Time, at our offices located at 6301 Fitch Path, New Albany, Ohio 43054. The purposes of the Annual Meeting are set forth in the Notice of Annual Meeting of Stockholders accompanying this Proxy Statement. All references in this Proxy Statement to the Company, we, us, our or Abercrombie & Fitch refer to Abercrombie & Fitch Co.

#### **Why am I being provided this Proxy Statement?**

We are required by the Securities and Exchange Commission (the SEC) to give you, or provide you access to, this Proxy Statement because our Board is soliciting your proxy to vote your shares of Common Stock at the Annual Meeting. The Proxy Statement summarizes the information you need in order to vote at the Annual Meeting.

#### **What is a proxy?**

A proxy is your designation of another person to vote shares of Common Stock you own. If you designate someone as your proxy in a written document, that document is also called a proxy, a form of proxy or a proxy card. When you designate a proxy, you also may direct the proxy how to vote your shares. Jonathan E. Ramsden and Robert E. Bostrom have been designated on behalf of the Board as the proxies to cast the vote of the Company's stockholders at the Annual Meeting.

#### **What are the voting requirements for the proposals to be acted upon at the Annual Meeting and discussed in this Proxy Statement?**

At the Annual Meeting, stockholders will act upon the matters outlined in the Notice of Annual Meeting of Stockholders accompanying this Proxy Statement. Specifically, stockholders will be asked to: (1) elect ten directors to the Board; (2) approve amendments to the Company's Amended and Restated Bylaws to implement proxy access; (3) approve the advisory resolution on executive compensation; (4) approve the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors; (5) approve the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates; (6) ratify the appointment of PricewaterhouseCoopers LLP as the independent registered accounting firm of the Company for the fiscal year ending January 28, 2017 (Fiscal 2016); and (7) consider and vote upon one stockholder proposal, if the stockholder proposal is properly presented for consideration at the Annual Meeting.

#### ***Proposal 1 Election of Directors***

The Company and its stockholders have implemented majority voting for uncontested director elections, which the Board expects to be the case at the Annual Meeting. In an uncontested election of directors, each nominee must be elected by a majority of the votes cast (*i.e.*, the votes cast for such nominee's election must exceed the votes cast against such nominee's election). Broker non-votes and abstentions will not be treated as votes cast.

#### ***Proposal 2 Approval of Amendments to the Company's Amended and Restated Bylaws to Implement Proxy Access***

The affirmative vote of the holders of at least 75% of the outstanding shares of Common Stock entitled to vote thereon is required for approval of the proposed amendments. Abstentions and broker non-votes will have the effect of votes **AGAINST** the proposal.

#### ***Proposal 3 Advisory Vote to Approve Executive Compensation***

This advisory vote is non-binding but the Board and our Compensation and Organization Committee will give careful consideration to the results of voting on this proposal. The approval of the advisory resolution on executive compensation requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting thereon. Broker non-votes will not be treated as votes cast. Abstentions will not be counted as votes **FOR** or **AGAINST** the proposal.

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***Proposal 4 Approval of the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors***

The approval of the Abercrombie & Fitch Co. 2016 Long-Term incentive Plan for Directors (also referred to as the 2016 Directors LTIP ) requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting thereon. Broker non-votes will not be treated as votes cast. Abstentions will be treated as votes cast and will have the effect of a vote **AGAINST** the proposal.

***Proposal 5 Approval of the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates***

The approval of the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates (also referred to as the 2016 Associates LTIP ) requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting thereon. Broker non-votes will not be treated as votes cast. Abstentions will be treated as votes cast and will have the effect of a vote **AGAINST** the proposal.

***Proposal 6 Ratification of Appointment of Independent Registered Public Accounting Firm***

The ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending January 30, 2016 requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting thereon. Abstentions will not be counted as votes **FOR** or **AGAINST** the proposal.

***Proposal 7 Stockholder Proposal on a Policy Regarding Accelerated Vesting of Equity Awards of Senior Executive Officers Upon a Change in Control***

The approval of the stockholder proposal described under the caption **PROPOSAL 7 STOCKHOLDER PROPOSAL ON A POLICY REGARDING ACCELERATED VESTING OF EQUITY AWARDS OF SENIOR EXECUTIVE OFFICERS UPON A CHANGE IN CONTROL** requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting on the proposal. Abstentions and broker non-votes will not be counted as votes **FOR** or **AGAINST** the stockholder proposal.

**What are the Board's recommendations for the proposals to be acted upon at the Annual Meeting and how will my shares be voted?**

Subject to revocation, all forms of proxy that are properly completed and timely received will be voted in accordance with the instructions you give. If no instructions are given (except in the case of broker non-votes), the persons named as proxies will vote the shares of Common Stock in accordance with the recommendations of the Board. The Board's recommendations are set forth together with the description of each proposal in this Proxy Statement. In summary, the Board recommends a vote:

**FOR** the election of each of the ten director nominees listed under the caption **PROPOSAL 1 ELECTION OF DIRECTORS**, beginning on page 21 of this Proxy Statement;

**FOR** the approval of the amendments to the Company's Amended and Restated Bylaws to implement proxy access, as described in **PROPOSAL 2 AMENDMENT OF THE COMPANY'S AMENDED AND RESTATED BYLAWS TO IMPLEMENT PROXY ACCESS**, beginning on page 51 of this Proxy Statement;

**FOR** the approval of the advisory resolution on executive compensation, as described under the caption **PROPOSAL 3 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**, beginning on page 55 of this Proxy Statement;

**FOR** the approval of the 2016 Directors LTIP, as described under the caption **PROPOSAL 4 APPROVAL OF THE ABERCROMBIE & FITCH CO. 2016 LONG-TERM INCENTIVE PLAN FOR DIRECTORS**, beginning on page 89 of this Proxy Statement;

**FOR** the approval of the 2016 Associates LTIP, as described under the caption **PROPOSAL 5 APPROVAL OF THE ABERCROMBIE & FITCH CO. 2016 LONG-TERM INCENTIVE PLAN FOR ASSOCIATES**, beginning on page 98 of this Proxy Statement;

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**FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for Fiscal 2016, as described under the caption **PROPOSAL 6 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**, beginning on page 112 of this Proxy Statement; and

**AGAINST** the stockholder proposal described under the caption **PROPOSAL 7 STOCKHOLDER PROPOSAL ON A POLICY REGARDING ACCELERATED VESTING OF EQUITY AWARDS OF SENIOR EXECUTIVE OFFICERS UPON A CHANGE IN CONTROL**, beginning on page 112 of this Proxy Statement.

### **Who can vote at the Annual Meeting?**

Only holders of shares of the Company's Common Stock of record at the close of business on April 18, 2016 (the Record Date) or such stockholders' proxies are entitled to receive notice of, and vote at, the Annual Meeting. At the close of business on the Record Date, there were 67,592,998 shares of Common Stock outstanding and entitled to vote. There are no other voting securities of the Company outstanding. Each stockholder is entitled to one vote on each matter voted upon at the Annual Meeting for each share of Common Stock held. To be able to vote your shares at the Annual Meeting, the records of the Company must show that you held your shares at the close of business on the Record Date.

### **How do I attend the Annual Meeting?**

The Annual Meeting will be held on Thursday, June 16, 2016 at 10:00 a.m., Eastern Daylight Time, at our offices located at 6301 Fitch Path, New Albany, Ohio 43054. When you arrive, signs will direct you to the appropriate room. Please note that the doors to the meeting room will not be open until 9:00 a.m., Eastern Daylight Time. You should be prepared to present valid government-issued photo identification, such as a driver's license or passport, for admittance. In addition, if you are a stockholder of record, your name will be verified against the list of stockholders of record prior to admittance to the Annual Meeting. If you are a beneficial owner, you must provide proof of beneficial ownership on the record date, such as your account statement showing that you owned our Common Stock as of April 18, 2016, a copy of the voting instruction form provided by your brokerage firm, bank or other nominee, or other similar evidence of ownership. If you do not provide valid government-issued photo identification and comply with the other procedures outlined above, you will not be admitted to the Annual Meeting. You do not need to attend the Annual Meeting to vote. Even if you plan to attend the Annual Meeting, please submit your vote in advance as instructed in this Proxy Statement.

### **What is a Notice of Internet Availability of Proxy Materials?**

In accordance with rules adopted by the SEC, instead of mailing a printed copy of our proxy materials to each stockholder of record, we are permitted to furnish our proxy materials, including the Notice of Annual Meeting of Stockholders, this Proxy Statement and our Annual Report on Form 10-K for Fiscal 2015 (our Fiscal 2015 Form 10-K), by providing access to such documents on the Internet. Generally, stockholders **will not** receive printed copies of the proxy materials **unless** they request them.

A Notice of Internet Availability of Proxy Materials that provides instructions for accessing our proxy materials on the Internet was mailed directly to registered stockholders. The Notice of Internet Availability of Proxy Materials also provides instructions regarding how registered stockholders may vote their shares on the Internet. Registered stockholders who prefer to receive a paper or e-mail copy of our proxy materials must follow the instructions provided in the Notice of Internet Availability of Proxy Materials for requesting such materials.

**The Notice of Internet Availability of Proxy Materials only identifies the items to be voted on at the Annual Meeting. You cannot vote by marking the Notice of Internet Availability of Proxy Materials and returning it. The Notice of Internet Availability of Proxy Materials provides instructions on how to cast your vote.**

A notice that directs beneficial owners of our shares to the website where they can access our proxy materials should be forwarded to each beneficial stockholder by the brokerage firm, bank or other holder of

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record who is considered the registered owner with respect to the shares of the beneficial stockholder. Such brokerage firm, bank or other holder of record should also provide each beneficial owner of our shares with instructions on how the beneficial stockholder may request a paper or e-mail copy of our proxy materials.

To enroll in the electronic delivery service for future stockholder meetings, use your Notice of Internet Availability of Proxy Materials (or proxy card, if you received printed copies of the proxy materials) to register online at [www.proxyvote.com](http://www.proxyvote.com) and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years.

### **What is the difference between holding shares as a holder of record and as a beneficial owner?**

If, at the close of business on April 18, 2016, your shares were held in an account at a brokerage firm, bank or other similar organization, then you are the beneficial owner of shares held in street name and a notice directing you to the website where you can access our proxy materials is being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares in your account. If that organization is not given specific direction, shares held in the name of that organization may not be voted and will not be considered as present and entitled to vote on any matter to be considered at the Annual Meeting other than the ratification of the appointment of the Company's independent registered public accounting firm. **Please direct your broker how to vote your shares following the instructions provided by your broker.**

### **How do I vote my shares?**

If you are a registered stockholder (*i.e.*, you hold your shares of record), you may vote your shares using one of the following methods (please also see the information provided above and below concerning the difference in how to vote if you hold shares beneficially through a brokerage firm, bank or other nominee instead of as the registered holder – beneficial holders should follow the voting instructions provided by their respective nominees):

#### ***Over the Internet.*** Go to [www.proxyvote.com](http://www.proxyvote.com).

You can use the Internet 24 hours a day, seven days a week, to submit your voting instructions and for electronic delivery of information up until 11:59 p.m., Eastern Daylight Time, on June 15, 2016. Have your proxy card or Notice of Internet Availability of Proxy Materials in hand when you access the web site and follow the instructions to obtain your records and create an electronic voting instruction form.

#### ***By telephone.*** Call 1-800-690-6903.

You can use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m., Eastern Daylight Time, on June 15, 2016. Have your proxy card or Notice of Internet Availability of Proxy Materials in hand when you call and follow the instructions.

***By mail.*** If you received a printed copy of the proxy materials, you may submit your vote by completing, signing and mailing your proxy card and returning it in the prepaid envelope to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, New York 11717. Sign your name exactly as it appears on the proxy card. Proxy cards submitted by mail must be received no later than June 15, 2016 to be voted at the Annual Meeting.

***In person at the Annual Meeting.*** Registered stockholders are invited to attend the Annual Meeting and vote in person at the Annual Meeting. If you are a beneficial owner of shares, you must obtain a legal proxy from the brokerage firm, bank or other holder of record of your shares to be entitled to vote those shares in person at the meeting.

If you vote via the Internet or by telephone, your electronic vote authorizes the named proxies in the same manner as if you signed, dated and returned a proxy card. ***If you vote via the Internet or by telephone, do not return a proxy card.***



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### **If I am a stockholder holding shares in street name, how do I vote?**

If you hold your shares in street name with a brokerage firm, bank or other nominee, the holder of record will send you instructions on how to instruct the holder of record to vote your shares. **Your broker is permitted to vote your shares with respect to the routine proposal to ratify the appointment of the Company's independent registered public accounting firm without your instruction as to how to vote but will not be permitted to vote your shares with respect to any of the other proposals at the Annual Meeting without your instructions as to how to vote.**

If you hold your shares in street name, you should have received a Notice of Internet Availability of Proxy Materials or voting instructions from the brokerage firm, bank or other nominee holding your shares. You should follow the instructions in the Notice of Internet Availability of Proxy Materials or voting instructions provided by your broker or other nominee in order to instruct your broker or other nominee on how to vote your shares. The availability of telephone and Internet voting will depend on the voting process of the broker or other nominee.

### **What is a broker non-vote ?**

A broker non-vote occurs when a stockholder holds our shares of Common Stock in street name through a broker or similar organization, and the stockholder does not provide the broker or other organization with instructions within the required timeframe before the Annual Meeting as to how to vote the shares on non-routine matters. The only proposal this year which is considered routine is the ratification of the appointment of the Company's independent registered public accounting firm. Under the rules of the New York Stock Exchange ( NYSE ) set forth in the NYSE Listed Company Manual (the NYSE Rules ), your broker cannot vote your shares on non-routine matters unless your broker receives instructions from you as to how to vote.

### **How can I revoke my proxy or change my vote?**

If you are a registered stockholder, you may revoke your proxy at any time before it is actually voted at the Annual Meeting by:

signing and returning a new proxy card with a later date only your latest proxy card received by June 15, 2016, will be counted;

submitting a late-dated vote by telephone or via the Internet only your latest telephone or Internet proxy received by 11:59 p.m., Eastern Daylight Time, on June 15, 2016, will be counted;

attending the Annual Meeting and voting by ballot in person; or

delivering a written revocation to our Corporate Secretary at 6301 Fitch Path, New Albany, Ohio 43054, to be received no later than June 15, 2016.

If you hold your shares in street name, you must contact the broker or other nominee holding your shares and follow the instructions of the broker or other nominee for revoking or changing your vote.

### **Who is paying for the cost of this proxy solicitation?**

This solicitation of proxies is made by and on behalf of our Board. In addition to mailing the Notice of Internet Availability of Proxy Materials (or, if applicable, paper copies of this Proxy Statement, the Notice of Annual Meeting of Stockholders, the proxy card and our Fiscal 2015 Form 10-K) to registered stockholders as of the close of business on the Record Date, the brokers, banks and other nominees holding our shares for beneficial owners must provide a notice as to where they can access our proxy materials to persons for whom they hold our shares in order that such shares may be voted. Solicitation may also be made by our directors, officers and select other Company employees or, as referred to by the Company, associates of the Company telephonically, electronically or by other means of communications. Directors, officers and associates who help us in the solicitation will not be specially compensated for those services, but they may be reimbursed for their out-of-pocket expenses incurred in connection with the solicitation. In addition, the Company has retained Innisfree M&A Incorporated ( Innisfree ) to aid in the solicitation of proxies for a fee of \$15,000, plus out-of-pocket expenses.





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The Company will reimburse Innisfree, as well as brokerage firms, banks and other custodians, fiduciaries and nominees, who are record holders of shares of our Common Stock not beneficially owned by them for their reasonable costs in sending proxy materials to stockholders who beneficially own our shares. The Company will bear the costs incurred in connection with the solicitation of proxies on behalf of the Board, other than the Internet access or telephone usage fees which may be charged to stockholders.

### **Are there any cumulative voting rights in the election of directors?**

No.

### **What constitutes a quorum to hold and transact business at the Annual Meeting?**

A quorum for the Annual Meeting is one-third of the outstanding shares of Common Stock. If you are a registered stockholder and submit a proxy, your shares of Common Stock will be counted to determine whether we have a quorum even if you abstain or fail to provide voting instructions on any of the proposals described in this Proxy Statement and listed on the form of proxy. If your shares of Common Stock are held in the name of your broker or other nominee, and you do not instruct your broker or other nominee how to vote your shares of Common Stock, these shares will still be counted for purposes of determining the presence or absence of a quorum for the transaction of business if your broker or other nominee submits a proxy.

### **How are votes tabulated?**

The results of stockholder voting will be tabulated by the inspectors of election appointed for the Annual Meeting.

### **What should I do if I have other questions?**

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor, Innisfree M&A Incorporated, toll-free at (888) 750-5834 or directly at (412) 232-3651. Banks and brokers may call collect at (212) 750-5833.

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**PROPOSAL 1 ELECTION OF DIRECTORS**

There are currently ten directors serving on the Board, all of whose terms expire at the Annual Meeting.

Upon the unanimous recommendation of our Nominating and Board Governance Committee, the Board has unanimously nominated Arthur C. Martinez, James B. Bachmann, Bonnie R. Brooks, Terry L. Burman, Sarah M. Gallagher, Michael E. Greenlees, Archie M. Griffin, Charles R. Perrin, Stephanie M. Shern and Craig R. Stapleton (altogether, the Nominees ) for election as directors at the Annual Meeting. Directors elected at the Annual Meeting will hold office for a one-year term expiring at the 2017 Annual Meeting of Stockholders or until their respective successors are elected and qualified.

The individuals named as proxies in the form of proxy solicited by the Board intend to vote the shares of Common Stock represented by the proxies received under this solicitation for the Nominees, unless otherwise instructed on the form of proxy. It is expected that all of the Nominees will be able to serve. However, if before the election, one or more of the Nominees are unable to serve or for good cause will not serve, the proxy holders will vote the proxies for the remaining Nominees and for any substitute nominees chosen by the Board, unless the Board reduces the number of directors to be elected. If any substitute nominees are designated, we will file an amended proxy statement that, as applicable, identifies the substitute nominees, discloses that such nominees have consented to being named in the revised proxy statement and to serve if elected, and includes certain biographical and other information about such nominees required by the rules of the SEC.

**The Board recommends that you vote *FOR* each of the Nominees to be elected for a one-year term expiring at the 2017 Annual Meeting of Stockholders or until his or her successor is elected and qualified.**

**Majority Vote Standard in Uncontested Director Election**

In an uncontested election of directors, which we expect to be the case at the Annual Meeting, each nominee must be elected by a majority of the votes cast (*i.e.*, the votes cast for such nominee's election must exceed the votes cast against such nominee's election). Broker non-votes and abstentions will not be treated as votes cast. Proxies may not cast votes for more than ten nominees.

The Board has adopted a resignation policy, included in the Company's Corporate Governance Guidelines, which requires that an incumbent director who receives less than a majority of the votes cast in an uncontested election tender his or her resignation, and outlines the procedures by which the Board will consider whether to accept such resignation. The resignation policy provides:

an incumbent director who fails to receive the required number of votes for re-election must offer to resign;

the Nominating and Board Governance Committee and the Board will evaluate any such resignation in light of the best interests of the Company and its stockholders in determining whether to accept or reject the resignation, or whether other action should be taken, and may consider any factors they deem relevant in making such determination;

if the Board does not accept the resignation, the director who offered to resign will continue to serve on the Board until the next annual meeting of stockholders and until the director's successor is elected and qualified, or until the director's death, resignation or removal;

if the Board accepts the resignation, the Nominating and Board Governance Committee will recommend to the Board whether to fill the resulting vacancy or to reduce the size of the Board; and

the Board will publicly disclose its decision regarding the resignation within 90 days after the results of the election are certified.

**Table of Contents****Nominees**

The information set forth in the table below concerning the principal occupation, other affiliations and business experience, as of April 18, 2016, of each Nominee has been furnished to the Company by such Nominee.

Name (Age)	Business Experience		Director Since
	During Past Five Years and		
	Other Information		
Arthur C. Martinez (76)	<p>Mr. Martinez has served as the Chairman of the Board of the Company since January 27, 2014 and currently serves as the Executive Chairman of the Board of the Company (also referred to as Company Chairman), a position he has held since December 8, 2014. He is also a member of the Office of the Chairman of the Company (serving as the representative of the Board) and serves as Chair of our Executive Committee. From January 27, 2014 to December 7, 2014, Mr. Martinez served as Non-Executive Chairman of the Board of the Company. Mr. Martinez retired in 2000 as Chairman of the Board and Chief Executive Officer of Sears, Roebuck and Co. ( Sears ), positions he had held since 1995. From 1992 to 1995, he served as Chairman and Chief Executive Officer of the former Sears Merchandise Group, the retail arm of Sears. Prior to his tenure at Sears, Mr. Martinez served in various capacities at Saks Fifth Avenue, Inc. ( Saks ), an apparel and related products retailer, and Saks parent company through 1990, BATUS, Inc. He served as Vice Chairman and a member of the Board of Directors of Saks from 1990 to 1992. From 1987 to 1990, Mr. Martinez was Group Chief Executive for the retail division of BATUS, Inc. (responsible for Saks, Marshall Field s and other chains) and served as a member of the BATUS, Inc. Board of Directors and Executive Committee. He served as Executive Vice President for Administration of Saks from 1984 to 1987 and as Senior Vice President and Chief Financial Officer of Saks from 1980 to 1984. Mr. Martinez also served as Chairman of the Board of the Federal Reserve Bank of Chicago from 2000 to 2002 and as a Director from 1996 to 2002. Mr. Martinez also serves as Chairman of the Board of HSN, Inc., an interactive multi-channel retailer, a position he has held since 2008. In the past five years, Mr. Martinez served as a director of American International Group, Inc. from 2009 until his retirement on May 13, 2015; International Flavors &amp; Fragrances Inc. from 2000 until his retirement on May 6, 2015; IAC/InterActiveCorp from 2005 to 2014; Kate Spade &amp; Company (formerly known as Fifth &amp; Pacific Companies, Inc.) from 2001 to 2014; PepsiCo, Inc. from 1999 to 2012; and ABN AMRO Holding N.V. from 2002 to 2010, where he served as Chairman from 2006 until 2010. He also previously served as a director of Amoco Corporation, Ameritech Corporation and Martha Stewart Living Omnimedia, Inc. In addition to his for profit affiliations, Mr. Martinez serves as a Trustee of Greenwich Hospital, The Norton Museum of Art, the Maine Coast Heritage Trust, Northwestern University and the Chicago Symphony Orchestra.</p>		2014

**Table of Contents****Business Experience****During Past Five Years and**

Name (Age)	Other Information	Director Since
James B. Bachmann (73)	<p>Mr. Martinez's significant experience working in the retail industry and advising and counseling members of senior management makes him a valuable resource to our executive officers. As a result of his significant professional experience with Sears and Saks in the retail environment, Mr. Martinez is very familiar with issues related to business strategy, leadership, marketing, finance and operations faced by the Company. Mr. Martinez's service on the boards of several leading public companies enables him to provide critical corporate governance, compliance and compensation insights as well as ensure that the Company's Board meetings are efficiently and effectively run.</p> <p>Mr. Bachmann retired in 2003 as Managing Partner of the Columbus, Ohio office of Ernst &amp; Young LLP, after serving in various management and audit engagement partner roles with the firm. Mr. Bachmann currently serves as the Lead Independent Director and Chair of the Audit Committee of Lancaster Colony Corporation, a company which manufactures and markets food products and for which he has served as a director since 2003.</p> <p>Mr. Bachmann currently serves as Chair of our Audit and Finance Committee and as a member of our Corporate Social Responsibility Committee and our Executive Committee. His significant public company accounting and financial expertise, thorough review of the financial and risk management issues applicable to the Company and diligent engagement with management have helped the Company navigate the increasingly complex financial and risk management issues we face. In addition, his operational experience as the Managing Partner of Ernst &amp; Young's Columbus, Ohio office provides us with valuable operational insights.</p>	2003
Bonnie R. Brooks (62)	<p>Since February 2014, Ms. Brooks has served as Vice Chair of Hudson's Bay Company, a North American retailer based in Toronto, Ontario that offers a wide selection of branded merchandise in Canada, the United States and Germany through six banners. In Canada, the operations include Hudson's Bay, Canada's largest national branded department store chain, and Home Outfitters, a kitchen, bed and bath superstore chain; in the United States, the operations include the Lord &amp; Taylor chain of upscale, specialty retail department stores, the Saks Fifth Avenue chain of department stores and Saks Off Fifth, a discount store operation; and in Germany, the operations include the Kaufhof chain of department stores. From February 2012 to January 2014, Ms. Brooks served as President of Hudson's Bay Company and from September 2008 to February 2012, she served as President and Chief Executive Officer of Hudson's Bay Department Stores. Prior to her tenure with Hudson's Bay Company, Ms. Brooks served from 2003 to 2008 as President of Lane Crawford Joyce Group Ltd., the owner and operator of more than 500 Asia-based chains of fashion department stores selling designer clothes for men and women. From 2000 to 2002, Ms. Brooks served as the Global Merchandise Director (handling the Harvey Nichols UK and ST Dupont France brands) for</p>	2014

**Table of Contents****Business Experience****During Past Five Years and**

Name (Age)	Other Information	Director Since
	<p>Dickson Concepts (International) Limited. From 1998 to 2000, she was Senior Vice President of Lane Crawford Joyce Group Ltd. and based in Hong Kong. Prior to joining Lane Crawford Joyce Group Ltd., Ms. Brooks was at Holt Renfrew &amp; Company, a Canada-based fashion department store, as Senior Vice President from 1996 to 1998 and Executive Vice President/General Merchandise Manager from 1980 to 1991; and as Editor-in-Chief from 1994 to 1996 of Flare, a Canadian fashion magazine. Ms. Brooks has served as a director of Empire Company Ltd., a Canadian company whose key businesses include food retailing and related real estate development, since 2012; as a member of the board of trustees of RioCan Real Estate Investment Trust, a North American real estate owner and operator, since 2013; as a director of Rogers Communications Inc., a Canadian diversified communications and media company, since April 2015; as a director of Alignvest Acquisition Corporation, a Special Purpose Acquisition Corporation, since July 2015; as the Chair of the Board of Trustees of Royal Ontario Museum, since 2013; and as a member of the Board of camh Foundation (Canada), since 2012. From 2009 to 2011, she also served as a director of Indigo Books &amp; Music, Inc., a Canadian retail bookstore chain.</p> <p>Ms. Brooks currently serves as a member of our Nominating and Board Governance Committee. Ms. Brooks brings to the Board substantial experience in the retail industry, having served as chief executive officer and president of three large companies operating branded and upscale department stores in the United States, Canada, Europe and Asia. In addition, as a native and current resident of Canada having tenure with Canada-based, Asia-based and U.K.-based retailers, Ms. Brooks provides the Company with additional expertise with respect to the nuances of conducting retail operations in international markets. In addition to her retail market operational expertise, Ms. Brooks' public company board experience makes her highly qualified to serve as a director of the Company.</p>	
Terry L. Burman (70)	<p>From May 2013 to May 2014, Mr. Burman served as Chairman of the Board and as a director of Zale Corporation, a specialty retailer of fine jewelry in North America. Since December 2015, he has served as Chairman of the Board of Tuesday Morning Corporation, a closeout retailer of upscale decorative home accessories, housewares, seasonal goods and famous-maker gifts in the United States. Mr. Burman has served as a director of Tuesday Morning Corporation since February 2013; as a director of Learning Care Group, a privately-held company operating over 900 learning and daycare centers in the United States, since July 2014; and as a board member since July 2004 and as Chairman of the Board from July 2013 to June 2015 of the St. Jude Children's Research Hospital Board of Governors and a board member of ALSAC, the fundraising organization of St. Jude, since July 2004. He also served on the Board of Directors of YCC Holdings LLC, a retailer of candles, fragrances and other products, from October 2007 to October 2013,</p>	2014

**Table of Contents****Business Experience****During Past Five Years and**

Name (Age)	Other Information	Director Since
	<p>and on the Board of Directors of ACCESS, an organization providing housing, food and counseling to homeless women and their children in Akron, Ohio, from 1996 to 2012. Mr. Burman was the Chief Executive Officer of Signet Jewelers Limited ( Signet ), a specialty jewelry retailer, from 2000 to 2011. Mr. Burman joined Signet in 1995 as Chairman and Chief Executive Officer of Sterling Jewelers, Inc., a U.S. division of Signet. He served as a director of Signet from 1996 to 2011. Prior to joining Signet, Mr. Burman held various senior executive positions of increasing responsibility with Barry s Jewelers, Inc., which now does business as Samuels Jewelers, from 1980 to 1995, including President and Chief Executive Officer from 1993 to 1995. Prior to that, Mr. Burman was a partner with Roberts Department Stores, a regional department store chain specializing in apparel.</p>	
Sarah M. Gallagher (64)	<p>Mr. Burman currently serves as the Chair of our Nominating and Board Governance Committee and as a member of our Compensation and Organization Committee. Mr. Burman s experience as a chief executive officer in the retail industry, his significant international management experience, and his general business and financial acumen are very valuable to the Company and provide the Board with important insight into specialty retail industries as well as strategy and business development.</p> <p>From August 2014 to August 2015, Ms. Gallagher served as Executive Chairperson of the Rebecca Taylor woman s fashion brand. In this role, she was acting as interim chief executive officer with responsibility for the wholesale, stores and e-commerce businesses. Ms. Gallagher served as President of Ralph Lauren North America e-Commerce from April 2007 until April 2013 and as President of Ralph Lauren Media LLC, Polo.com from November 2001 to March 2007, where she led all aspects of Ralph Lauren s e-Commerce business for 12 years. Ms. Gallagher joined Ralph Lauren Media in 2001, when e-Commerce was a joint venture with NBC and Ralph Lauren Corporation, a global designer, manufacturer, distributor and retailer of lifestyle products. Under Ms. Gallagher s leadership, the Ralph Lauren e-Commerce business became an industry leader and consistently outpaced the industry growth rate. After establishing Ralph Lauren s web presence, including RalphLauren.com and Rugby.com in the United States, Ms. Gallagher and the U.S. digital team collaborated with the European digital team to oversee Ralph Lauren s expansion into the European markets, including successful launches of e-Commerce sites in the United Kingdom, Germany and France. Prior to her tenure with the Ralph Lauren organization, Ms. Gallagher served from 1997 to 2001, as Senior Vice President, Banana Republic Direct and Senior Vice President, Gap Direct, divisions of Gap, Inc., an international retailer offering clothing, accessories and personal care products under the Gap, Banana Republic and Old Navy brand names, where she was directly responsible for the launch of the Banana Republic catalog, website and all aspects of its e-Commerce</p>	2014

**Table of Contents****Business Experience****During Past Five Years and****Name (Age)****Other Information****Director  
Since**

business. Prior to joining Gap, Inc., Ms. Gallagher served as Vice President, Apparel, Jewelry and Accessories, from 1996 to 1997 for Avon Products, Inc., a direct seller of beauty and related products; Vice President and General Merchandise Manager, Intimate Apparel from 1985 to 1995 and then Executive Vice President, Merchandising from 1995 to 1996, of Victoria's Secret Catalogue, a direct sales channel for Victoria's Secret Stores; and in various roles from 1971 to 1985 with Lord & Taylor, an upscale, specialty retail department store chain in the United States, including serving as Divisional Merchandise Manager, Intimate Apparel, from 1983 to 1985.

Ms. Gallagher currently serves as a member of our Corporate Social Responsibility Committee and our Nominating and Board Governance Committee. Ms. Gallagher's over 40 years of retail experience, including more than 30 years with Fortune 500 brands, and status as one of the early movers in the e-Commerce space with more than 15 years of service in that aspect of the retail business, bring valuable expertise and insight to the Board as the Company continues to expand its focus on direct-to-customer business opportunities, both within the United States and internationally.

Michael E. Greenlees (69)

Mr. Greenlees currently serves as a member of the Board of Directors and as an Executive Director of Ebiquity plc, a U.K.-based company that provides data-driven insights to the global media and marketing community and is listed on the London Stock Exchange's AIM market. He previously served as Chief Executive Officer of Ebiquity plc from 2007 to December 2015. Mr. Greenlees was one of the original founding partners of Gold Greenlees Trott, or The GGT Group plc, an international advertising and marketing group. The GGT Group plc was listed on the London Stock Exchange in 1986 at which time Mr. Greenlees became Chairman and Chief Executive Officer, a role he occupied for over 10 years until the company's sale to Omnicom Group Inc., a holding company for a number of advertising and marketing services businesses, in 1998. At that time, Mr. Greenlees joined the Board of Directors of Omnicom Group Inc. and served as President and Chief Executive Officer of TBWA Worldwide Inc., a subsidiary with offices in nearly 70 countries. In 2001, Mr. Greenlees became Executive Vice President of Omnicom Group Inc. and served in that role until 2003. From 2004 to 2006, he served as Chief Executive Officer of FastChannel Network, Inc., a software solutions business targeting the advertising and media community. Mr. Greenlees has served on the boards of several public companies, including Omnicom Group Inc., Hewitt Associates Inc. and Ebiquity plc.

2011

Mr. Greenlees currently serves as Chair of our Compensation and Organization Committee and as a member of our Audit and Finance Committee. Mr. Greenlees' experience in the role of Chief Executive Officer of Ebiquity plc and service with several public companies, in addition to his significant experience within the global media and marketing community, are very valuable to the Company. In addition, as a U.K. native and current resident, Mr. Greenlees adds to the Company's international experience and profile.



**Table of Contents****Business Experience****During Past Five Years and**

Name (Age)	Other Information	Director Since
Archie M. Griffin (61)	<p>Since June 30, 2015, Mr. Griffin has served as Senior Advisor within the Office of Advancement at The Ohio State University. From July 2010 until June 30, 2015, Mr. Griffin served as the Senior Vice President of Alumni Relations at The Ohio State University. Mr. Griffin also served as President and Chief Executive Officer of The Ohio State University Alumni Association, Inc. from January 2004 until June 30, 2015 and as an ex-officio member of the Board of Directors of The Ohio State University Foundation from January 2004 until June 30, 2015. Mr. Griffin served as the Associate Director of Athletics at The Ohio State University from 1994 to 2003, after serving more than nine years in various positions within the Athletic and Employment Services Departments at The Ohio State University. Mr. Griffin has served as a director of Motorists Mutual Insurance Company since 1991 and the Ohio Auto Club since 1992. Mr. Griffin has also served as a member of the Board of the Columbus Youth Foundation (Vice Chair) since 1991 and as a member of the Board of the National Football Foundation since 2006.</p> <p>Mr. Griffin currently serves as Chair of our Corporate Social Responsibility Committee and as a member of our Nominating and Board Governance Committee. Mr. Griffin is one of the most well-respected and well-recognized individuals in the State of Ohio. Mr. Griffin's experience on the Board and institutional knowledge of the Company are also valuable.</p>	2000
Charles R. Perrin (70)	<p>Mr. Perrin served as the non-executive Chairman of The Warnaco Group, Inc., a company which designed, sourced, marketed, licensed and distributed a broad line of intimate apparel, sportswear and swimwear products worldwide, from March 2004 to February 2013. He has served as a director of Campbell Soup Company, which manufactures and markets soup, sauces, beverages, biscuits, confectionary and prepared branded consumer food products, since 1999. He also serves as a Trustee of Save the Children International.</p> <p>Mr. Perrin currently serves as a member of our Audit and Finance Committee and our Compensation and Organization Committee. Mr. Perrin brings to the Board substantial experience in and perspective on consumer marketing, business operations and the packaged goods industry. In January 1998, he joined Avon Products, Inc., a global manufacturer and marketer of beauty and related products, as Vice Chairman and Chief Operating Officer, and served as Chief Executive Officer of that company from June 1998 to November 1999. From 1994 to 1996, he was Chairman and Chief Executive Officer of Duracell International, Inc., a manufacturer and marketer of various battery types primarily under the DURACELL® brand. He joined Duracell as President of Duracell USA, and later held a number of other executive positions, including President and Chief Operating Officer of Duracell International, Inc. from 1992 to 1994. He previously worked at Chesebrough-Pond's, Inc., where he held a series of sales, marketing and general management positions and served as President of the Packaged Food Division. Mr. Perrin began his business career at General Foods Corporation. His extensive background in retail, sales and marketing are very valuable to the Company.</p>	2014

**Table of Contents****Business Experience****During Past Five Years and**

Name (Age)	Other Information	Director Since
Stephanie M. Shern (68)	<p>From 1995 to April 2001, Mrs. Shern was the Vice Chairman and a Partner with Ernst &amp; Young LLP, a member of Ernst &amp; Young's board and management committee and the Global Director of Retail and Consumer Products. Also during that time and from 1981, she was a partner at Ernst &amp; Young serving various clients in the retail and consumer sectors. Mrs. Shern was with Ernst &amp; Young for over 30 years. Mrs. Shern is a CPA and a member of the American Institute of CPAs and the New York State Society of CPAs. Mrs. Shern is currently a director and Chair of the Audit Committee and a member of the Remuneration Committee of Koninklijke Ahold N.V. (Royal Ahold), a Dutch-based international retailing group that operates supermarkets in the United States and Europe; and a director and Chair of the Audit Committee of GameStop Corp., a global, multichannel video game, consumer electronics and wireless services retailer, where she also served as the Lead Independent Director from 2005 to 2015. During the past five years, Mrs. Shern has served as a director of CenturyLink, Inc.; Embarq Corporation; The Scotts Miracle-Gro Company; Sprint Nextel Corporation; and Nextel Communications, Inc. Additionally, she is a founding member of the Lead Director Network, a peer group of lead directors sponsored by King &amp; Spalding and convened by Tapestry Networks, and a founding member of the Southwest Region of the United States Audit Committee Network, a peer group of Audit Committee chairs sponsored by Ernst &amp; Young and convened by Tapestry Networks.</p> <p>Mrs. Shern currently serves as a member of our Audit and Finance Committee. Mrs. Shern spent a significant portion of her nearly 40-year career focused on retail and consumer industries in both the United States and abroad. As a result, she has very strong leadership, international, marketing/consumer industry and retail experience. As a CPA and Chair of the Audit Committee of each of GameStop Corp. and Koninklijke Ahold N.V. (Royal Ahold), and the former Chair of the Audit and Finance Committee of The Scotts Miracle-Gro Company, Mrs. Shern has extensive financial experience.</p>	2014
Craig R. Stapleton (71)	<p>Since January 2009, Mr. Stapleton has served as Senior Advisor to Stone Point Capital, a private equity firm. Mr. Stapleton served as United States Ambassador to France from 2005 to 2009. He also served as United States Ambassador to the Czech Republic from 2001 until 2004. Mr. Stapleton served as President of Marsh and McLennan Real Estate Advisors of New York, a commercial real estate firm, from 1982 until 2001. He has been a co-owner of the St. Louis Cardinals baseball team since July 2009 and was a co-owner of the Texas Rangers baseball team from 1989 until 1998. Mr. Stapleton has served on the Board of Directors of Flamel Technologies, S.A. since July 2011 (becoming Chairman of the Board in July 2014). He also has served as a member of the Board of Directors of the George W. Bush Presidential Library and Foundation since January 2006, and as a member of the Board of Directors of the National September 11 Memorial &amp; Museum at the World Trade Center (9/11 Memorial) since January 2009. Mr. Stapleton also currently serves as a director of two private companies: Carlisle Bancshares, Inc. and C3/ CustomerContactChannels.</p>	2009

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**Business Experience**

**During Past Five Years and**

Name (Age)	Other Information	Director Since
	<p>Mr. Stapleton currently serves as a member of our Audit and Finance Committee, our Compensation and Organization Committee, our Executive Committee and our Nominating and Board Governance Committee, and served as the Company's Lead Independent Director from February 23, 2010 to January 27, 2014. During his service as the Company's first Lead Independent Director, Mr. Stapleton exemplified strong, effective leadership as the complexity of the issues faced by the Company continued to increase as the Company expanded internationally. Mr. Stapleton's experience as an United States Ambassador to several countries in Europe provides a valuable perspective while the Company continues its international expansion. His real estate and private equity backgrounds give him a broad perspective on real estate and capital strategies.</p>	

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE *FOR* EACH OF**

**THE NOMINEES IDENTIFIED ABOVE.**

**Certain Relationships and Related Person Transactions**

***Review, Approval or Ratification of Transactions with Related Persons***

The Board has adopted the Abercrombie & Fitch Co. Related Person Transaction Policy (the Policy), which is administered by the Nominating and Board Governance Committee and the Company's General Counsel. A copy of the Policy is posted on the Corporate Governance page of the Company's website at [www.bercrombie.com](http://www.bercrombie.com), accessible through the Investors page. The Policy applies to any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which the Company or one of our subsidiaries participates or will participate, the amount involved exceeds or is expected to exceed \$120,000, and a related person had, has or will have a direct or indirect interest. Pursuant to the Policy, a related person is any person:

who is or was an executive officer, a director or a director nominee of the Company, or an immediate family member of any such individual, at any time since the beginning of the Company's last fiscal year; or

who, at the time of the occurrence or at any time during the existence of the transaction, is the beneficial owner of more than 5% of the Company's outstanding shares of Common Stock, or an immediate family member of a beneficial owner of more than 5% of the Company's outstanding Common Stock.

Each director, director nominee or executive officer of the Company must notify the Company's General Counsel in writing of any interest that such individual or an immediate family member of such individual had, has or may have, in a related person transaction. Each director, director nominee and executive officer also completes a questionnaire on an annual basis designed to elicit information about potential related person transactions. In addition, any related person transaction proposed to be entered into by the Company or one of our subsidiaries must be reported by the Company's management to the Company's General Counsel. Any potential related person transaction that is raised will be analyzed by the Company's General Counsel, in consultation with the Company's management and with outside counsel, as appropriate, to determine whether the transaction, arrangement or relationship does, in fact, constitute a related person transaction requiring compliance with the Policy.

Pursuant to the Policy, all related person transactions (other than those deemed to be pre-approved or ratified under the terms of the Policy) will be referred to the Nominating and Board Governance Committee for

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approval (or disapproval), ratification, revision or termination. Whenever practicable, a related person transaction is to be reviewed and approved or disapproved by the Nominating and Board Governance Committee prior to the effective date or consummation of the transaction. If the Company's General Counsel determines that advance consideration of a related person transaction is not practicable under the circumstances, the Nominating and Board Governance Committee will review and, in its discretion, may ratify the transaction at that Committee's next meeting. If the Company becomes aware of a related person transaction not previously approved under the Policy, the Nominating and Board Governance Committee will promptly review the transaction, including the relevant facts and circumstances, and evaluate all options available to the Company, including ratification, revision, termination or rescission of the transaction, and take the course of action that the Nominating and Board Governance Committee deems appropriate under the circumstances.

No director may participate in any approval or ratification of a related person transaction in which the director or an immediate family member of the director is involved. The Nominating and Board Governance Committee may only approve or ratify those transactions that the Committee determines to be in the Company's best interests. In making this determination, the Nominating and Board Governance Committee will review and consider all relevant information available to it, including:

the related person's interest in the transaction;

the approximate dollar value of the transaction;

the approximate dollar value of the related person's interest in the transaction without considering the amount of any profit or loss;

whether the transaction was undertaken in the ordinary course of the business of the Company or the applicable subsidiary of the Company;

whether the terms of the transaction are no less favorable to the Company or the applicable subsidiary of the Company than terms that could be reached with an unrelated third party;

the purpose of the transaction and its potential benefits to the Company or the applicable subsidiary of the Company;

the impact of the transaction on the related person's independence; and

any other information regarding the transaction or the related person that would be material to investors in light of the circumstances. Any related person transaction previously approved or ratified by the Nominating and Board Governance Committee or otherwise already existing that is ongoing in nature is to be reviewed by the Nominating and Board Governance Committee annually.

Pursuant to the terms of the Policy, the following related person transactions are deemed to be pre-approved or ratified (as appropriate) by the Nominating and Board Governance Committee even if the aggregate amount involved would exceed \$120,000:

interests arising solely from ownership of the Company's Common Stock if all stockholders receive the same benefit on a pro rata basis;

compensation to an executive officer of the Company, as long as the executive officer is not an immediate family member of another executive officer or director of the Company and the compensation has been approved, or recommended to the Board for approval, by

the Compensation and Organization Committee;

compensation to a director of the Company for services as a director if the compensation is required to be reported in the Company's proxy statement;

interests deriving solely from a related person's position as a director of another corporation or organization that is a party to the transaction;

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interests deriving solely from the related person's direct or indirect ownership of less than 10% of the equity interest (other than a general partnership interest) in another person which is a party to the transaction; and

transactions involving competitive bids.

The Code of Business Conduct and Ethics adopted by the Board also addresses the potential conflicts of interest which may arise when a director, an officer or an associate has an interest in a transaction to which the Company or one of our subsidiaries is a party. If a potential conflict of interest arises concerning an officer or a director of the Company, all information regarding the issue is to be reported to the Company's Chief Ethics and Compliance Officer and the Company's General Counsel for review and, if appropriate or required under the Company's policies (including the Company's Related Person Transaction Policy), submitted to the Nominating and Board Governance Committee for review and disposition.

***Transactions with Related Persons in Fiscal 2015***

In Schedule 13G/A filings made with the SEC, FMR LLC has reported beneficial ownership of more than 5% of the Company's outstanding Common Stock. Fidelity Investments Institutional Operation, Inc. and Fidelity Workplace Services LLC, affiliates of FMR LLC, provide record-keeping and administration services for the Abercrombie & Fitch Co. Associate Stock Purchase Plan, the Abercrombie & Fitch Co. Director's Deferred Compensation Plan, the Company's long-term incentive plans, the Abercrombie & Fitch Nonqualified Savings and Supplemental Retirement Plan and the Abercrombie & Fitch Co. Savings and Retirement Plan. The agreements with Fidelity Investments Institutional Operation, Inc. and Fidelity Workplace Services LLC were negotiated in arm's-length transactions and the beneficial ownership by FMR LLC of shares of the Company's Common Stock plays no role in the business relationship between the Company and Fidelity Investments Institutional Operation, Inc. and Fidelity Workplace Services LLC. In addition, the Company believes the respective agreements represent standard terms and conditions for record-keeping and administration services. For providing these services, Fidelity Investments Institutional Operation, Inc. and Fidelity Workplace Services LLC received fees in Fiscal 2015 totaling approximately \$256,200. These services were reviewed and approved in accordance with the Policy.

Based on information provided by the directors, the executive officers and the legal department of the Company, the Nominating and Board Governance Committee determined that there are no material related person transactions required to be disclosed in this Proxy Statement with respect to the directors or the executive officers of the Company or their respective immediate family members. The Company indemnifies the directors and the officers of the Company to the fullest extent permitted by the laws of Delaware against personal liability in connection with their service to the Company. This indemnification is required under the Company's Amended and Restated Certificate of Incorporation and the Company's Amended and Restated By-Laws, and we have entered into agreements with these individuals contractually obligating us to provide this indemnification to them.

**Director Independence**

The Board has reviewed, considered and discussed each current director's relationships, both direct and indirect, with the Company in order to determine whether such director meets the independence requirements of the applicable NYSE Rules. The Board has determined that all ten of the current directors qualify as independent under the applicable NYSE Rules. Specifically, the Board has determined that each of James B. Bachmann, Bonnie R. Brooks, Terry L. Burman, Sarah M. Gallagher, Michael E. Greenlees, Archie M. Griffin, Arthur C. Martinez, Charles R. Perrin, Stephanie M. Shern and Craig R. Stapleton has no commercial, industrial, banking, consulting, legal, accounting, charitable, familial or other relationship with the Company, either directly or indirectly, that would be inconsistent with a determination of independence under the applicable NYSE Rules. In the course of reaching these determinations, the Board considered among other things:

Mr. Bachmann and Mrs. Shern are former partners with Ernst & Young LLP, retiring in 2003 and 2001, respectively. The Company and our subsidiaries from time to time engage Ernst & Young LLP for non-audit services, primarily in the nature of tax compliance services, information technology consulting, and

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consulting in respect of discrete nominal tax and accounting projects. In Fiscal 2015, the fiscal year ended January 31, 2015 ( Fiscal 2014 ) and the fiscal year ended February 1, 2014 ( Fiscal 2013 ), the Company and our subsidiaries paid Ernst & Young LLP approximately \$202,000, \$269,000 and \$1,866,000, respectively, in fees. As retired partners with respect to Ernst & Young LLP, neither Mr. Bachmann nor Mrs. Shern has any direct or indirect interest in the business relationship or transactions between Ernst & Young LLP and the Company and our subsidiaries.

Mr. Martinez served as a director of American International Group, Inc. ( AIG ) from 2009 until his retirement on May 13, 2015. The Company and our subsidiaries have, from time to time, purchased insurance through subsidiaries of AIG, the premiums for which have not exceeded \$1,200,000 in any year since the beginning of Fiscal 2013. Mr. Martinez s only interest in the underlying business relationship arose from his service as a director of AIG.

Mr. Griffin is currently serving as Senior Advisor within the Office of Advancement at The Ohio State University, after having served as the Senior Vice President of Alumni Relations at The Ohio State University, President and Chief Executive Officer of The Ohio State University Alumni Association, Inc. and an ex-officio member of the Board of Directors of The Ohio State University Foundation until June 30, 2015. The Company will, subject to certain conditions, facilitate gifts which could aggregate up to \$10,000,000 over no more than ten years (2007 to 2016) to The Ohio State University Foundation, which gifts are contemplated to be allocated to The Ohio State University Wexner Medical Center. To date, the Company has donated approximately \$9,658,000 pursuant to this arrangement. Mr. Griffin was not involved, directly or indirectly, in the solicitation of these gifts to The Ohio State University Foundation. Since the beginning of Fiscal 2013, the Company has paid The Ohio State University fees associated with several on-campus associate recruitment activities, the aggregate amount of which has not exceeded \$53,000 over a three-year period. Mr. Griffin was not personally involved, directly or indirectly, in the determination as to whether to participate in these activities.

Since the beginning of Fiscal 2013, the Company has made other charitable contributions to certain charitable organizations with which one or more of the directors of the Company or their immediate family members are affiliated. None of these charitable contributions has exceeded \$50,000 in any year within this period.

There are no family relationships among any of the current directors and executive officers of the Company. Please see the text under the caption EXECUTIVE OFFICERS OF THE REGISTRANT at the end of ITEM 1. BUSINESS in Part I of the Company s Fiscal 2015 Form 10-K for information about the Company s executive officers.

The Board previously reviewed, considered and discussed the relationships, both direct and indirect, between the Company and Diane L. Neal, who served as a director of the Company during Fiscal 2015 from February 1, 2015 to June 18, 2015, in order to determine whether she met the independence requirements of the NYSE Rules during her period of service as a director in Fiscal 2015. The Board determined that Ms. Neal had no commercial, industrial, banking, consulting, legal, accounting, charitable, familial or other relationship with the Company, either directly or indirectly, that would be inconsistent with a determination of independence under the applicable NYSE Rules.

**Meetings of and Communications with the Board**

The Board held ten meetings of the full Board and nine meetings of the non-management directors (in the form of executive sessions scheduled as agenda items at regularly scheduled in-person meetings of the Board) during Fiscal 2015. All of the incumbent directors attended at least 75% of the Board and Board committee meetings they were eligible to attend during Fiscal 2015.

Although the Company does not have a formal policy requiring members of the Board to attend annual meetings of the stockholders, the Company encourages all incumbent directors and director nominees to attend each annual meeting of stockholders. All of the current directors attended the Company s last annual meeting of stockholders held on June 18, 2015.

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In accordance with the Company's Corporate Governance Guidelines and applicable NYSE Rules, the non-management directors of the Company meet (without management present) at regularly scheduled executive sessions at least twice per year and at such other times as the directors deem necessary or appropriate. Executive sessions of the non-management directors are scheduled as an agenda item at each regularly scheduled in-person meeting of the Board. All meetings of non-management or independent directors are presided over by the Company Chairman (who is the Chairman of the Board of the Company, if the Chairman of the Board is not also the Chief Executive Officer of the Company). If the non-management directors include directors who are not independent, then at least once a year, the independent directors of the Company will meet in executive session and the Company Chairman will preside at each executive session.

The Board believes it is important for stockholders and other interested parties to have a process to send communications to the Board and its individual members. Accordingly, stockholders and other interested parties who wish to communicate with the Board, the non-management directors as a group, the independent directors as a group, the Company Chairman, or a particular director may do so by sending a letter to such individual or individuals, in care of the Company's Corporate Secretary, to the Company's offices at 6301 Fitch Path, New Albany, Ohio 43054. The mailing envelope must contain a clear notation indicating that the enclosed letter is a Stockholder/Interested Party Non-Management Director Communication, Stockholder/Interested Party Board Communication, Stockholder/Interested Party Independent Director Communication, Stockholder/Interested Party Company Chairman Communication or Stockholder/Interested Party Director Communication, as appropriate. All such letters must identify the author as a stockholder or other interested party and clearly state whether the intended recipients are all members of the Board, all non-management directors, all independent directors or certain specified individual directors. Copies of all such letters will be circulated to the appropriate director or directors. Correspondence marked personal and confidential will be delivered to the intended recipient without opening. There is no screening process in respect of communications from stockholders or other interested parties.

## **Board Leadership Structure**

Currently, the Company does not have a Chief Executive Officer or an Interim Chief Executive Officer. On December 8, 2014, our Board appointed Arthur C. Martinez, who was then serving as Non-Executive Chairman of the Board, to serve as Executive Chairman of the Board and Jonathan E. Ramsden, who serves as Chief Operating Officer of the Company, to also serve as Interim Principal Executive Officer of the Company. At that time, the Board also formed the Office of the Chairman, whose members included Arthur C. Martinez, Jonathan E. Ramsden, Christos E. Angelides and Fran Horowitz, to allow for effective management of the Company during a transition in leadership and move to a brand-based organizational model. The Office of the Chairman is responsible for overseeing and providing strategic direction to management. As a result of his appointment as Executive Chairman of the Board, Mr. Martinez is leading the Office of the Chairman in his capacity as the representative of the Board.

The Company's Board is currently comprised of ten non-associate directors, all of whom are independent.

The Board has adopted a written description of the duties and responsibilities of a Company Chairman and of a Lead Independent Director (who is appointed if the Chairman of the Board is also the Chief Executive Officer). Mr. Martinez has served as Company Chairman since January 27, 2014. The role of the Company Chairman addresses responsibilities in the areas of Board leadership, management liaison and stockholder outreach. In particular, in his role as Company Chairman, Mr. Martinez has the following duties and responsibilities:

calling and presiding over all meetings of the Board, having set in advance the agenda which should take into account issues and concerns of all Board members;

presiding over executive sessions of the independent directors, without management present, and facilitating productive and focused discussions;



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organizing Board discussion items and workflow;

establishing procedures to govern the Board's work, including the annual schedule of the Board;

establishing agendas for all Board meetings, in collaboration with the Chief Executive Officer, if any;

consulting with all directors concerning Board agendas and information provided to the Board;

overseeing the distribution of information to directors to enable the Board's monitoring of the Company's performance and the performance of management of the Company;

promoting effective communications between the Board and management of the Company on developments occurring between Board meetings;

working with the Chair of the Nominating and Board Governance Committee with respect to the recruitment, selection and orientation of new Board members and Board committee composition;

leading the Board's review of the succession plan for the Chief Executive Officer (if any) and other key senior executives;

discussing the Company's executive compensation program with the Company's large institutional stockholders, including input and advice from the Chair of the Compensation and Organization Committee and that Committee's independent consultant, and reporting any feedback to the Compensation and Organization Committee;

coordinating the Board's self-assessment and evaluation process and ensuring that Board members continually update their skills and knowledge required to fulfill their roles on the Board and on Board committees;

coordinating periodic Board input and review of management's strategic plan for the Company;

facilitating the communication between and among the independent directors and management of the Company;

briefing the Chief Executive Officer (if any) on issues and concerns arising in the executive sessions of the independent directors;

coordinating and chairing the annual Board performance review of the Chief Executive Officer (if any) and communicating the results to the Chief Executive Officer;

providing strategic advice to the Chief Executive Officer (if any) on operational and financial matters, as necessary;

presiding over annual and special meetings of the Company's stockholders;

facilitating communications with investors on Wall Street, in collaboration with the Chief Executive Officer (if any);

ensuring that views of major investors in the Company's Common Stock are communicated to the Board, in collaboration with the Chief Executive Officer (if any);

being available for consultation and direct communication with the Company's stockholders; and

performing such other duties as the Board may from time to time delegate.

The Board has five standing committees: Audit and Finance; Compensation and Organization; Corporate Social Responsibility; Executive; and Nominating and Board Governance. Each of these committees has a separate independent chair. Detailed information about each Board committee and such Board committee's duties and responsibilities is contained in the section captioned **Committees of the Board** beginning on page 35 of this Proxy Statement.

As noted, the Company does not currently have a Chief Executive Officer or an Interim Chief Executive Officer. The Company believes that the appointment of Mr. Martinez as Executive Chairman of the Board, the

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appointment of Jonathan E. Ramsden as Interim Principal Executive Officer, and the formation of the Office of the Chairman, together allow for effective management of the Company's business. In addition, the Company believes that the independent Company Chairman, together with a Board whose members all qualify as independent including the chairs for each of our Board committees, regularly scheduled executive sessions of the independent directors and written duties and responsibilities for the Company Chairman as well as for each of our standing committees represents the most appropriate Board leadership structure for the Company at this time. This structure demonstrates to all of our stakeholders, including our associates, customers and stockholders, that our Board is committed to engaged, independent leadership and the performance of its responsibilities. Experienced and independent Board members oversee the Company's operations, risks, performance and business strategy. The Board believes that its strong corporate governance practices provide an appropriate balance among strategy development, operational execution and independent oversight of the Company.

**Committees of the Board**

The Board has five standing committees – the Audit and Finance Committee, the Compensation and Organization Committee, the Corporate Social Responsibility Committee, the Executive Committee and the Nominating and Board Governance Committee. The current members of these committees are identified in the following table.

Director	Committees of the Board				
	Audit and Finance	Compensation and Organization	Corporate Social Responsibility	Executive	Nominating and Board Governance
James B. Bachmann	Chair		X	X	
Bonnie R. Brooks					X
Terry L. Burman		X			Chair
Sarah M. Gallagher			X		X
Michael E. Greenlees	X	Chair			
Archie M. Griffin			Chair		X
Arthur C. Martinez				Chair	
Charles R. Perrin	X	X			
Stephanie M. Shern	X				
Craig R. Stapleton	X	X		X	X
Fiscal 2015 Meetings	15	8	4	2	7

**Audit and Finance Committee**

The Audit and Finance Committee was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). James B. Bachmann, Michael E. Greenlees, Charles R. Perrin, Stephanie M. Shern and Craig R. Stapleton served as members of the Audit and Finance Committee throughout Fiscal 2015. The Board has determined that each member of the Audit and Finance Committee qualifies as an independent director under the applicable NYSE Rules and under SEC Rule 10A-3. The Board has also determined that all members of the Audit and Finance Committee are financially literate under the applicable NYSE Rules and that each of Messrs. Bachmann, Greenlees and Stapleton and Mrs. Shern qualifies as an audit committee financial expert under applicable SEC rules and regulations (SEC Rules) by virtue of their respective experience which is described in the section captioned **Nominees** beginning on page 22 of this Proxy Statement. The Board believes that each member of the Audit and Finance Committee is highly qualified to discharge his or her duties on behalf of the Company and our subsidiaries.

The Audit and Finance Committee is organized and conducts its business pursuant to a written charter that was most recently revised by the Board on December 15, 2015, a copy of which is posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. At least annually, the Audit and Finance Committee, in consultation with the Nominating and Board Governance

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Committee, reviews and reassesses the adequacy of its charter and recommends any proposed changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

The duties and responsibilities of the Audit and Finance Committee are set forth in its charter. The primary functions of the Audit and Finance Committee are to assist the Board in the oversight of:

the integrity of the Company's financial statements;

the effectiveness of the Company's systems of disclosure controls and procedures and internal control over financial reporting;

the compliance by the Company and our subsidiaries with legal and regulatory requirements;

the qualifications and independence of the Company's independent registered public accounting firm;

the performance of the Company's internal audit function and the Company's independent registered public accounting firm;

compliance with the Company's Code of Business Conduct and Ethics;

enterprise risk issues and enterprise risk management policies, guidelines and programs;

the annual independent audit of the Company's financial statements; and

the review of the financial plans and policies of the Company.

At least annually, the Audit and Finance Committee authorizes the appointment, compensation and retention of the Company's independent registered public accounting firm and then oversees that firm's work, including the resolution of disagreements between management of the Company and the Company's independent registered public accounting firm regarding financial reporting. The Audit and Finance Committee also reviews and discusses with management of the Company and the Company's independent registered public accounting firm the Company's financial statements and the related disclosures to be made in the Company's periodic reports filed with the SEC, and discusses any other matters required to be communicated to the Audit and Finance Committee by the Company's independent registered public accounting firm under applicable Public Company Accounting Oversight Board (PCAOB) standards. At least annually, the Audit and Finance Committee also reviews and discusses with management of the Company, the Company's General Counsel, the Company's Chief Ethics and Compliance Officer, the Company's Chief Audit Executive and the Company's independent registered public accounting firm, the Company's processes regarding compliance with legal and regulatory requirements and communication of and compliance with the Company's Corporate Governance Guidelines and Code of Business Conduct and Ethics.

The Audit and Finance Committee's annual report relating to Fiscal 2015 begins on page 109 of this Proxy Statement.

### ***Compensation and Organization Committee***

The Compensation and Organization Committee provides overall guidance for the Company's executive compensation policies and approves the amounts and elements of compensation for the Company's executive officers. Terry L. Burman, Michael E. Greenlees, Charles R. Perrin and Craig R. Stapleton served as members of the Compensation and Organization Committee throughout Fiscal 2015. Diane L. Neal served as a member of the Compensation and Organization Committee during Fiscal 2015 from February 1, 2015 to June 18, 2015. The Board has

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determined that each current member of the Compensation and Organization Committee qualifies, and that during her period of service in Fiscal 2015 Diane L. Neal qualified, as an independent director under the applicable NYSE Rules, including those specifically applicable to members of the Compensation and Organization Committee.

The Compensation and Organization Committee is organized and conducts its business pursuant to a written charter which was most recently revised by the Board on August 20, 2014, a copy of which is posted on the

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Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. At least annually, the Compensation and Organization Committee reviews and reassesses the adequacy of its charter, in consultation with the Nominating and Board Governance Committee, and recommends any proposed changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

The Compensation and Organization Committee's charter sets forth the duties and responsibilities of the Compensation and Organization Committee. The primary functions of the Compensation and Organization Committee are to assist the Board in:

overseeing the Company's overall compensation structure, policies and programs, discharging the Board's responsibilities relating to the Chief Executive Officer (if any) and other officers of the Company identified in Rule 16a-1(f) under the Exchange Act (the Section 16 Officers), including the Company's executive officers, as well as other officers as determined by the Compensation and Organization Committee;

making recommendations to the Nominating and Board Governance Committee regarding compensation of the non-associate directors of the Company;

reviewing and monitoring the Company's organizational development strategies and practices;

reviewing succession plans for the Chief Executive Officer (if any) and other Section 16 Officers, including the executive officers of the Company; and

overseeing any and all welfare and retirement benefit plans for associates of the Company.

At least annually, the Compensation and Organization Committee assesses the independence of consultants, outside counsel and other advisors (whether retained by the Compensation and Organization Committee or by management of the Company) that provide advice to the Compensation and Organization Committee and whether the work performed by compensation consultants or other advisors who are involved in determining or recommending executive or director compensation has raised any conflict of interest that is required to be disclosed in the Company's annual proxy statement.

The Compensation and Organization Committee's processes and procedures to determine executive compensation, including the use of compensation consultants and the role of executive officers in making recommendations relating to executive compensation, are described in the section captioned **COMPENSATION DISCUSSION AND ANALYSIS** beginning on page 56 of this Proxy Statement.

### ***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee provides oversight of the Company's attention to issues of social responsibility, including diversity and inclusion, health and safety, human rights, environmental and philanthropy and the Company's policies, practices and progress with respect to such issues. James B. Bachmann, Sarah M. Gallagher and Archie M. Griffin served as members of the Corporate Social Responsibility Committee throughout Fiscal 2015.

The Corporate Social Responsibility Committee is organized and conducts its business pursuant to a written charter that was most recently revised by the Board on August 20, 2014, a copy of which is posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. At least annually, the Corporate Social Responsibility Committee reviews and reassesses the adequacy of its charter, in consultation with the Nominating and Board Governance Committee, and recommends any proposed changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

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### ***Executive Committee***

Arthur C. Martinez and Craig R. Stapleton served as members of the Executive Committee throughout Fiscal 2015. James B. Bachmann became a member of the Executive Committee on April 20, 2015.

The Executive Committee is organized and conducts its business pursuant to a written charter that was most recently revised by the Board on April 20, 2015, a copy of which is posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. Periodically, the Executive Committee reviews and reassesses the adequacy of its charter, in consultation with the Nominating and Board Governance Committee, and recommends any proposed changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

The Executive Committee is to act on behalf of the Board in between Board meetings with respect to matters that, in the opinion of the Company Chairman or the Lead Independent Director, if applicable, should not be postponed until the next scheduled meeting of the Board, subject to such limitations as the Board and/or applicable law may impose. In addition, the Executive Committee has been appointed by the Board to take any action deemed necessary under exigent circumstances when a quorum of the Board cannot be satisfied, subject to any limitation imposed under applicable law.

### ***Nominating and Board Governance Committee***

Bonnie R. Brooks, Terry L. Burman, Sarah M. Gallagher, Archie M. Griffin and Craig R. Stapleton served as members of the Nominating and Board Governance Committee throughout Fiscal 2015. The Board has determined that each member of the Nominating and Board Governance Committee qualifies as an independent director under the applicable NYSE Rules.

The Nominating and Board Governance Committee is organized and conducts its business pursuant to a written charter which was most recently revised by the Board on February 18, 2015, a copy of which is posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. At least annually, the Nominating and Board Governance Committee reviews and reassesses the adequacy of its charter and recommends any proposed changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

The purpose of the Nominating and Board Governance Committee is to provide oversight on a broad range of issues surrounding the composition and operation of the Board, including identifying individuals qualified to become Board members, recommending to the Board director nominees for the next annual meeting of stockholders and developing and recommending to the Board a set of corporate governance principles applicable to the Company. The Nominating and Board Governance Committee also has responsibility for making recommendations to the Board and the Chairman of the Board in the area of committee membership selection, including Board committee chairs, and overseeing the evaluation of the Board. The Nominating and Board Governance Committee is also to annually review, receive recommendations from the Compensation and Organization Committee and make recommendations to the Board regarding the compensation for the Company's non-associate directors. The Nominating and Board Governance Committee also has responsibility for the implementation of the Company's related person transaction policy.

### **Director Qualifications and Consideration of Director Candidates**

Under the Company's Corporate Governance Guidelines, no director may be nominated by the Board to stand for election or re-election after reaching age 75. However, the Board may nominate such a director for election or re-election if the Board believes that such director's service on the Board is in the best interests of the Company and our stockholders. On April 4, 2016, based on a recommendation from the Nominating and Board Governance Committee, the Board unanimously approved the nomination of Arthur C. Martinez for re-election to the Board and believes his continued service is in the best interests of the Company and our stockholders.

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As described above, the Company has a standing Nominating and Board Governance Committee that has responsibility for providing oversight on a broad range of issues surrounding the composition and operation of the Board, including identifying candidates qualified to become directors and recommending director nominees to the Board.

When considering candidates for the Board, the Nominating and Board Governance Committee evaluates the entirety of each candidate's credentials and, other than the age guidelines mentioned above, does not have specific eligibility requirements or minimum qualifications that must be met by a candidate. However, the Company's Corporate Governance Guidelines provide that no member of the Board may simultaneously serve on the boards of directors of more than three public companies other than the Company unless the Board has determined, upon recommendation by the Nominating and Board Governance Committee, that the aggregate number of directorships held would not interfere with the individual's ability to carry out his or her responsibilities as a director of the Company.

The Board determined, upon recommendation by the Nominating and Board Governance Committee, that the service of Bonnie R. Brooks on the board of directors of four public companies other than the Company would not interfere with her ability to carry out her responsibilities as a director.

In considering director candidates, the Nominating and Board Governance Committee considers those factors it deems appropriate, including (i) the nominee's independence, judgment, strength of character, ethics and integrity; (ii) the nominee's business or other relevant experience and skills and knowledge useful to the oversight of the Company's business; (iii) the Company's strong commitment to diversity and inclusion at all levels of the Company; and (iv) such other factors as the members of that Committee conclude are appropriate in light of the needs of the Board. The Company believes that the Board as a whole should have competency in the following areas: (a) audit, accounting and finance; (b) business judgment; (c) management; (d) industry knowledge; (e) leadership; and (f) strategy/vision. Depending on the current needs of the Board, the Nominating and Board Governance Committee may weigh certain factors more or less heavily. The Nominating and Board Governance Committee does, however, believe that all members of the Board should have the highest character and integrity, a reputation for working constructively with others, sufficient time to devote to Board matters and no conflict of interest that would interfere with performance as a director.

While the Board and the Nominating and Board Governance Committee do not have specific eligibility requirements, other than the age guidelines mentioned above, and do not, as a matter of course, weigh any of the factors they deem appropriate more heavily than others, both the Board and the Nominating and Board Governance Committee believe that, as a group, the directors should have diverse backgrounds and qualifications. The Company believes that the members of the Board, as a group, have such backgrounds and qualifications, although this is an area of constant focus for the Board and the Nominating and Board Governance Committee.

The Nominating and Board Governance Committee considers candidates for the Board from any reasonable source, including stockholder recommendations, and does not evaluate candidates differently based on the source of the recommendation. The process for seeking and vetting additional director candidates is ongoing and is not dependent upon the existence of a vacancy on the Board. Accordingly, the Board believes that this ongoing pursuit of qualified candidates functions as an appropriate director succession plan. Pursuant to its charter, the Nominating and Board Governance Committee has the authority to retain consultants and search firms to assist in the process of identifying and evaluating candidates and to approve the fees and other retention terms for any such consultant or search firm. In Fiscal 2015, the Nominating and Board Governance Committee did not use any consultant or search firm.

Information regarding each of our directors is set forth above under the caption **Nominees**. In addition to the specific information presented with respect to such individual, the Company believes that each of our directors has a reputation for the highest character and integrity and that our directors have worked cohesively and constructively with each other and with management of the Company. They have each demonstrated business acumen and an ability to exercise sound judgment.



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### **Director Nominations**

The Board, taking into account the recommendations of the Nominating and Board Governance Committee, selects nominees for election as directors at each annual meeting of stockholders. Stockholders may recommend director candidates for consideration by the Nominating and Board Governance Committee by giving written notice of the recommendation to the Chair of the Nominating and Board Governance Committee, in care of the Company, at the Company's principal executive offices at 6301 Fitch Path, New Albany, Ohio 43054. The recommendation must include the candidate's name, age, business address, residence address and principal occupation. The recommendation must also describe the qualifications, attributes, skills or other qualities possessed by the recommended director candidate. A written statement from the candidate consenting to serve as a director, if elected, must accompany any such recommendation.

In addition, stockholders wishing to formally nominate a candidate for election as a director may do so provided they comply with the notice procedures set forth in Section 2.04 of the Company's Amended and Restated Bylaws. A nominating stockholder must be a stockholder of record on both the date of the giving of the required notice of proposed nomination and the record date for determining the stockholders entitled to notice of and to vote at the relevant meeting of the stockholders.

The notice of a nominating stockholder in respect of an annual meeting of stockholders must be in writing and delivered in person or by United States certified mail, postage prepaid, and received by the Corporate Secretary of the Company, at the principal executive offices of the Company, not less than 120 days nor more than 150 days prior to the anniversary date of the immediately preceding annual meeting of stockholders, which, for purposes of the Company's 2017 Annual Meeting of Stockholders, means no earlier than the close of business on January 17, 2017 and no later than the close of business on February 16, 2017. The Corporate Secretary of the Company will deliver any stockholder nominations received in a timely manner for review by the Nominating and Board Governance Committee.

The informational requirements for stockholder notices with respect to the nomination of director candidates are detailed and include the disclosure of all derivative and synthetic instruments and short interests held by the nominating stockholder and such stockholder's affiliates or associates as well as by any proposed nominee.

A stockholder providing notice of any nomination proposed to be made at an annual meeting of stockholders must update and supplement such notice, if necessary, so that the information provided is true and correct as of the record date for determining the stockholders entitled to receive notice for the annual meeting. Such update and supplement must be delivered either in person or by United States certified mail, postage prepaid, and received by the Corporate Secretary of the Company, at the principal executive offices of the Company, not later than five business days after the record date for the annual meeting at issue.

No person may be elected as a director unless he or she has been nominated by a stockholder in the manner just described or by the Board or a committee of the Board.

### **Directors Who Substantially Change Their Job Responsibility**

A director must inform the Company Chairman or the Lead Independent Director, if applicable, and the Chair of the Nominating and Board Governance Committee as promptly as feasible, in advance, if the director is contemplating a change in employment, membership on another public company board of directors, or any other board membership or other change in status or circumstances that might cause the Board to conclude that the director is no longer independent, is no longer qualified to serve on the Board or might not be able to continue to serve effectively or that such service otherwise is no longer appropriate. Such prior notice is intended to permit management of the Company to conduct a preliminary analysis of the potential impact of the proposed change on the director's independence and/or service, and for the Company Chairman or the Lead Independent Director, if applicable, and the Chair of the Nominating and Board Governance Committee to consider that analysis and, as appropriate, to consult with the director before the director commits to the proposed change. If the determination

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is made that the potential change constitutes a conflict of interest or interferes with the director's ability to carry out his or her responsibilities as a director of the Company, the director must immediately submit a letter of resignation or not proceed with the potential change.

If sufficient prior notice cannot be given, the director must immediately submit a letter of resignation to the Company Chairman or the Lead Independent Director, if applicable, and the Chair of the Nominating and Board Governance Committee. Upon receipt of such a letter of resignation, the Company Chairman or the Lead Independent Director, if applicable, and the Chair of the Nominating and Board Governance Committee will duly consider the matter and make a timely recommendation to the full Board of the appropriate action, if any, to be taken with respect to the resignation.

It is not the sense of the Board that in every instance a director who is contemplating a change in the director's job responsibility or other status should leave the Board. There should, however, be an opportunity for the Board, through the Company Chairman or the Lead Independent Director, if applicable, and the Chair of the Nominating and Board Governance Committee, to review the effect, if any, of the proposed change on the interests of the Company.

In February 2016, Mr. Greenlees provided notice to our Executive Chairman and our General Counsel that he had stepped down as Chief Executive Officer of Ebiquity plc and would remain on the Board of Directors of Ebiquity plc as an Executive Director. After review, it was determined that the change in Mr. Greenlees' role and responsibilities at Ebiquity plc did not impact his status as an independent director of the Company or impact his qualifications to serve on our Board.

## **Board Role in Risk Oversight**

The Board oversees the management of risks related to the operation of our Company. As part of its oversight, the Board receives periodic reports from members of our Enterprise Risk Management Committee, which is comprised of senior management of the Company, on various aspects of risk, including our enterprise risk management program. The committees of the Board also oversee the management of risks that fall within their respective areas of responsibility. In performing this function, each Board committee has full access to management, as well as the ability to engage advisors. The Chair of each Board committee reports on the applicable committee's activities at each Board meeting and has the opportunity to discuss risk management with the full Board at that time.

The Audit and Finance Committee oversees our policies with respect to risk assessment and risk management, as required under its charter and by applicable NYSE Rules. As an extension of this role, the Audit and Finance Committee oversees the Company's enterprise risk management framework, the risk tolerance of the Company, the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. The Audit and Finance Committee also receives quarterly reports from the Enterprise Risk Management Committee and the Company's General Counsel on various issues of risk and risk management programs. In addition, the Audit and Finance Committee meets privately on a regular basis with representatives of the Company's independent registered public accounting firm to discuss the Company's auditing and accounting processes and management.

The Compensation and Organization Committee assesses the incentives and risks arising from or related to the Company's compensation programs and plans. The Compensation and Organization Committee receives a risk assessment from its independent compensation consultant that analyses the risks represented by each component of our executive compensation program, as well as mitigating factors, as discussed in further detail below.

The Nominating and Board Governance Committee reviews issues related to the Company's governance structure, corporate governance matters and processes and risks arising from related person transactions.

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The Corporate Social Responsibility Committee reviews issues related to diversity and inclusion, human rights and environmental and philanthropic matters.

### ***Risk Assessment in Compensation Programs***

Consistent with SEC disclosure requirements, management of the Company and the Compensation and Organization Committee have assessed the Company's compensation programs. Based upon all of the facts and circumstances available to the Company at the time of the filing of this Proxy Statement, management of the Company and the Compensation and Organization Committee have concluded that there are no risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. This assessment was overseen by the Compensation and Organization Committee, in consultation with its independent counsel and independent compensation consultant.

We reviewed the compensation policies and practices in effect for our executive officers, our senior management and our associates and assessed the features we have built into the compensation programs to discourage excessive risk-taking. These features include, among other things, a balance between different elements of compensation and use of different time periods and performance metrics for different elements of compensation. The annual cash incentive plan for the leadership team reflects performance on adjusted EBIT goals and a basket of strategic and operational performance measures, as well as individual performance. The annual cash incentive plan for associates below the Leadership Team reflected corporate and brand-based performance measures for Fiscal 2015. The Company has also imposed stock ownership guidelines on senior management and included clawback provisions in its incentive plans which are applicable to all participating associates.

### ***Base Salary***

Each job held by an associate below the Leadership Team level is assessed against the competitive market, and a range of base pay (within an overall salary grade structure) is assigned.

Individual merit pay decisions are constrained by a grid which relates the size of a pay increase to a given level of individual performance and/or competitive market position, subject to aggregate caps (*i.e.*, the merit increase budget).

At the Leadership Team level and for certain other designated officers, the Company matches job comparisons with market data, and all pay decisions are reviewed and approved by the Compensation and Organization Committee.

### ***Incentive Compensation***

In Fiscal 2015, annual cash incentive payments to Leadership Team members were determined by overall Company performance on adjusted EBIT goals and a basket of strategic and operational performance measures, as well as individual performance.

Adjusted EBIT, the metric used to determine the annual cash incentive pool below the Leadership Team, is a critical measure of the overall operating results of the business.

The ability for a single individual to affect overall corporate EBIT is limited to a handful of individuals.

Individual awards are capped for every associate, and are subject to Compensation and Organization Committee approval and, if necessary, the Compensation and Organization Committee's negative discretion.

### ***Long-Term Incentive Plans***

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In Fiscal 2015, the Company granted a mix of stock-settled stock appreciation rights ( SARs ), restricted stock units ( RSUs ) and performance share awards ( PSAs ) that varied by level. The weighting of

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performance-based awards was heaviest for the members of the Office of the Chairman, and also very significant for the other NEOs. Lower management levels received a mix of SARs and time-vested RSUs, and awards to other associates were composed primarily of time-vested RSUs.

These awards vest over three or four years subsequent to grant, and provide a significant hold on associates, who would forfeit considerable value should they leave the Company prior to vesting.

In Fiscal 2015, the design of the PSAs granted to the NEOs was streamlined to provide for vesting based upon two performance metrics linked to the Company's operating and stockholder return goals: Return on Invested Capital ( ROIC ) and Total Stockholder Return ( TSR ) versus the S&P Retail Select Industry Index ( Relative TSR ).

For PSAs, the time frame for measuring performance extends over three years, and three-year cliff vesting applies.

Use of different metrics for annual cash incentives and PSAs, as well as a variety of time frames, serves to mitigate risk.

### **Compensation of Directors**

Any officer of the Company who is also a director receives no additional compensation for services rendered as a director. Beginning February 2, 2014, directors who are not associates of the Company or our subsidiaries ( non-associate directors ) have received and are entitled to receive:

an annual cash retainer of \$65,000 for Board service (paid quarterly in arrears);

an additional annual cash retainer for each standing committee Chair and member of \$25,000 and \$12,500, respectively, other than (i) the Chair and the members of the Audit and Finance Committee who are to receive \$40,000 and \$25,000, respectively; and (ii) the Chair of the Compensation and Organization Committee who is to receive \$30,000, in each case for serving in the stated capacity. In each case, the retainers are paid quarterly in arrears; and

an annual grant of RSUs, to be granted on the date of the annual meeting of stockholders of the Company and which will vest on the earlier of (i) the first anniversary of the grant date or (ii) the date of the next regularly scheduled annual meeting of stockholders; in each case, subject to earlier vesting in the event of a non-associate director's death or total disability or upon a change of control of the Company.

For Fiscal 2015, the annual RSU grant was to be 3,000 RSUs, subject to the following conditions the application of which resulted in the grant being for 5,391 RSUs since the market price of the Company's Common Stock on the grant date (*i.e.*, the date of the 2015 Annual Meeting of Stockholders) was \$22.26 per share:

the maximum market value of the underlying shares of Common Stock on the date of grant was to be \$300,000 (*i.e.*, should the market price of the Company's Common Stock on the grant date exceed \$100 per share, the number of RSUs granted was to be automatically reduced to provide a maximum grant date market value of \$300,000); and

the minimum market value of the underlying shares of Common Stock on the date of grant was to be \$120,000 (*i.e.*, should the market price of the Company's Common Stock on the grant date be lower than \$40 per share, the number of RSUs granted was to be automatically increased to provide a minimum grant date market value of \$120,000).

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Beginning in Fiscal 2016, non-associate directors will be eligible to receive an annual grant of RSUs on the date of the annual meeting of stockholders (if they continue to serve after the annual meeting of stockholders), with the market value of the underlying shares of Common Stock on the grant date to be \$150,000. This grant, based on the market value of the shares of Common Stock underlying the RSUs to be granted, will be more aligned with market practice and will replace the historic practice of granting a pre-determined number of RSUs,

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subject to conditions which may adjust that number as described above, and will result in a more consistent market value for the RSUs granted each year. The RSUs will continue to vest on the earlier of (i) the first anniversary of the grant date or (ii) the date of the next regularly scheduled annual meeting of stockholders; in each case, subject to earlier vesting in the event of a non-associate director's death or total disability or upon termination of service in connection with a change of control of the Company.

In connection with Mr. Martinez's appointment to the position of Non-Executive Chairman of the Board on January 27, 2014, he has received and will continue to receive:

an additional annual cash retainer of \$200,000 (the Non-Executive Chairman Cash Retainer) for serving in such capacity (paid quarterly in arrears); and

an additional annual grant of RSUs for serving in such capacity, with the market value of the underlying shares of Common Stock on the grant date to be \$100,000 (the Non-Executive Chairman RSU Retainer). The Non-Executive Chairman RSU Retainer was deferred by Mr. Martinez pursuant to the Directors' Deferred Compensation Plan in Fiscal 2015.

The annual Non-Executive Chairman RSU Retainer has been and will continue to be subject to the following provisions:

RSUs are to be granted annually on the date of the annual meeting of stockholders of the Company; and

RSUs will vest on the earlier of (i) the first anniversary of the grant date or (ii) the date of the next regularly scheduled annual meeting of stockholders; in each case, subject to earlier vesting in the event of Mr. Martinez's death or total disability or upon a change of control of the Company.

On December 8, 2014, the Board appointed Mr. Martinez to serve as Executive Chairman of the Board and formed an Office of the Chairman. At that time, Mr. Martinez did not receive any additional compensation. As a result of this appointment, Mr. Martinez leads the Office of the Chairman in his capacity as the representative of the Board. In addition, certain officers of the Company, including certain members of the Office of the Chairman, report to Mr. Martinez as a representative of the Board. Currently, the Company does not have a Chief Executive Officer or an Interim Chief Executive Officer. Mr. Martinez continues to provide experienced and independent leadership for the Board. On April 20, 2015, in connection with the expanded responsibilities and increased time commitment associated with his appointment as Executive Chairman of the Board, the Board determined to award additional compensation to Mr. Martinez to compensate him appropriately in his new role. Such compensation will end coincident with the appointment of a new Chief Executive Officer of the Company, unless the Board determines otherwise. Accordingly, in connection with Mr. Martinez's appointment to the position of Executive Chairman of the Board, effective December 8, 2014, he has received and will continue to receive (in addition to the Non-Executive Chairman Cash Retainer and the Non-Executive Chairman RSU Retainer):

an additional annual cash retainer of \$625,000 (the Executive Chairman Cash Retainer) for serving in such capacity (paid quarterly in arrears); and

an additional annual grant of RSUs for serving in such capacity, with the market value of the underlying shares of Common Stock on the grant date to be \$1,875,000 (the Executive Chairman RSU Retainer). The Executive Chairman RSU Retainer was deferred by Mr. Martinez pursuant to the Directors' Deferral Compensation Plan in Fiscal 2015.

The annual Executive Chairman RSU Retainer will be subject to the following provisions:

RSUs are to be granted on the date of the annual meeting of stockholders of the Company;

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RSUs will vest on the earliest of (i) the date on which the Board appoints a Chief Executive Officer of the Company, unless the Board determines otherwise, (ii) the first anniversary of the grant date or (iii) the date of the next regularly scheduled annual meeting of stockholders; in each case, subject to earlier vesting in the event of Mr. Martinez's death or total disability or upon a change of control of the Company;



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RSUs that vest due to the appointment of a Chief Executive Officer of the Company will be pro-rated for the portion of the year that has elapsed between the grant date and the date of appointment of a Chief Executive Officer, unless the Board determines otherwise; and

if Mr. Martinez's service as Executive Chairman of the Board ends for any reason other than his death or total disability or appointment of a Chief Executive Officer of the Company, a pro-rata portion of unvested RSUs will vest to reflect the portion of the year that has elapsed between the grant date and the date on which his service as Executive Chairman of the Board ends.

If the proposed 2016 Directors LTIP is approved by the Company's stockholders at the 2016 Annual Meeting, future grants of RSUs to the non-associate directors will be made under the 2016 Directors LTIP, including the annual RSU grant to be made to each of the non-associate directors as well as the annual Non-Executive Chairman RSU Retainer and the annual Executive Chairman RSU Retainer to be granted to Mr. Martinez. The terms of such grants are expected to be the same as those described in the preceding paragraphs of this section.

Non-associate directors are also reimbursed for their expenses for attending meetings of the Board of Directors and Board committees and receive the discount on purchases of the Company's merchandise extended to all Company associates.

The Company has maintained the Directors' Deferred Compensation Plan since October 1, 1998. The Directors' Deferred Compensation Plan was split into two plans (Plan I and Plan II) as of January 1, 2005 to comply with Internal Revenue Code Section 409A. The terms of Plan I govern amounts deferred (within the meaning of Section 409A) in taxable years beginning before January 1, 2005 and any earnings thereon. The terms of Plan II govern amounts deferred in taxable years beginning on or after January 1, 2005 and any earnings thereon. Voluntary participation in the Directors' Deferred Compensation Plan enables a non-associate director of the Company to defer all or a part of his or her retainers, meeting fees (which are no longer paid) and stock-based incentives (including options, restricted shares of Common Stock and RSUs). The deferred compensation is credited to a bookkeeping account where it is converted into a share equivalent. Stock-based incentives deferred pursuant to the Directors' Deferred Compensation Plan are credited as shares of Common Stock. Amounts otherwise payable in cash are converted into a share equivalent based on the fair market value of the Company's Common Stock on the date the amount is credited to a non-associate director's bookkeeping account. Dividend equivalents will be credited on the shares of Common Stock credited to a non-associate director's bookkeeping account (at the same rate as cash dividends are paid in respect of outstanding shares of Common Stock) and converted into a share equivalent. Each non-associate director's only right with respect to his or her bookkeeping account (and the amounts allocated thereto) will be to receive distribution of the amount in the account in accordance with the terms of the Directors' Deferred Compensation Plan. Distribution of the deferred amount is made in the form of a single lump-sum transfer of the whole shares of Common Stock represented by the share equivalents in the non-associate director's bookkeeping account (plus cash representing the value of fractional shares) or annual installments in accordance with the election made by the non-associate director. Shares of Common Stock will be distributed under the Company's 2005 Long-Term Incentive Plan (the 2005 LTIP) in respect of deferred compensation allocated to non-associate directors' bookkeeping accounts on or after August 1, 2005, under the 2003 Stock Plan for Non-Associate Directors in respect of deferred compensation allocated to non-associate directors' bookkeeping accounts between May 22, 2003 and July 31, 2005 and under the 1998 Restatement of the 1996 Stock Plan for Non-Associate Directors in respect of deferred compensation allocated to non-associate directors' bookkeeping accounts prior to May 22, 2003. If the proposed 2016 Directors LTIP is approved by the Company's stockholders at the 2016 Annual Meeting, shares of Common Stock will be distributed under the 2016 Directors LTIP in respect of deferred compensation allocated to non-associate directors' bookkeeping accounts under the Directors' Deferred Compensation Plan on or after June 16, 2016.

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The following table summarizes the compensation paid to, awarded to or earned by, each individual who served as a non-associate director at any time during Fiscal 2015 for service on the Board:

**Director Compensation for Fiscal 2015**

Name	Fees Earned				Total
	or Paid in Cash	Stock Awards	Option Awards <sup>(1)</sup>	All Other Compensation <sup>(2)</sup>	
James B. Bachmann	\$ 127,321	\$ 115,691 <sup>(3)</sup>	\$	\$ N/A	\$ 243,012
Bonnie R. Brooks	\$ 77,500	\$ 115,691 <sup>(3)</sup>	\$	\$ N/A	\$ 193,191
Terry L. Burman	\$ 99,203	\$ 115,691 <sup>(3)</sup>	\$	\$ N/A	\$ 214,894
Sarah M. Gallagher	\$ 90,000	\$ 115,691 <sup>(3)</sup>	\$	\$ N/A	\$ 205,691
Michael E. Greenlees	\$ 120,000	\$ 115,691 <sup>(3)</sup>	\$	\$ N/A	\$ 235,691
Archie M. Griffin	\$ 102,500	\$ 115,691 <sup>(3)</sup>	\$	\$ N/A	\$ 218,191
Arthur C. Martinez	\$ 1,005,325	\$ 3,006,011 <sup>(3)(4)</sup>	\$	\$ N/A	\$ 4,011,336
Diane L. Neal <sup>(5)</sup>	\$ 29,382	\$	\$	\$ N/A	\$ 29,382
Charles R. Perrin	\$ 102,500	\$ 115,691 <sup>(3)</sup>	\$	\$ N/A	\$ 218,191
Stephanie M. Shern	\$ 90,000	\$ 115,691 <sup>(3)</sup>	\$	\$ N/A	\$ 205,691
Craig R. Stapleton	\$ 136,700	\$ 115,691 <sup>(3)</sup>	\$	\$ N/A	\$ 252,391

(1) No individuals named in this table held outstanding options at January 30, 2016.

(2) The aggregate value of the perquisites and other personal benefits received by each non-associate director for Fiscal 2015 was less than \$10,000.

(3) Each of the current non-associate directors was granted RSUs covering 5,391 shares of Common Stock on the date of the 2015 Annual Meeting of Stockholders. The amount of \$115,691 included in the total amount shown in this column for the current non-associate directors is reported using the grant date fair value of the awards, as computed in accordance with U.S. generally accepted accounting principles ( GAAP ), of \$21.46 per RSU, based upon the closing price of the Company's Common Stock on the grant date (\$22.26) and adjusted for anticipated dividend payments during the one-year vesting period. See Note 13. Share-Based Compensation of the Notes to Consolidated Financial Statements included in ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA of the Company's Fiscal 2015 Form 10-K, for assumptions used in the calculation of the amounts shown and information regarding the Company's share-based compensation. Each award of RSUs granted on the date of the 2015 Annual Meeting remained outstanding at January 30, 2016.

(4) Mr. Martinez was granted RSUs covering 44,209 shares of Common Stock on April 20, 2015. The amount of \$986,303 included in the total amount shown in this column for Mr. Martinez is reported using the grant date fair value of the award, as computed in accordance with GAAP, of \$22.31 per RSU, based upon the closing price of the Company's Common Stock on the grant date (\$22.31) and adjusted for anticipated dividend payments during the three-month vesting period. See Note 13. Share-Based Compensation of the Notes to Consolidated Financial Statements included in ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA of the Company's Fiscal 2015 Form 10-K, for assumptions used in the calculation of the amounts shown and information regarding the Company's share-based compensation. The award of RSUs granted to Mr. Martinez on April 20, 2015 vested on the date of the 2015 Annual Meeting of Stockholders.

Mr. Martinez was granted two additional awards of RSUs governing 4,492 and 84,232 shares of Common Stock, respectively, on the date of the 2015 Annual Meeting of Stockholders. The amount of \$1,904,017 included in the total amount shown in this column for Mr. Martinez is reported using the grant date fair value of the two awards, as computed in accordance with GAAP, of \$21.46 per RSU, based upon the closing price of the Company's Common Stock on the grant date (\$22.26) and adjusted for anticipated dividend payments during the one-year vesting period. See Note 13. Share-Based Compensation of the Notes to Consolidated Financial Statements included in ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA of the Company's Fiscal 2015 Form 10-K, for assumptions used in the calculation of the amounts shown and information regarding the Company's share-based compensation. Each of the awards of RSUs granted to Mr. Martinez on the date of the 2015 Annual Meeting remained outstanding at January 30, 2016.

<sup>(5)</sup> Ms. Neal served as a director during Fiscal 2015 from February 1, 2015 to June 18, 2015.

**Corporate Governance Guidelines**

In accordance with applicable NYSE Rules, the Board has adopted the Abercrombie & Fitch Co. Corporate Governance Guidelines to promote the effective functioning of the Board and its committees and to reflect the Company's commitment to the highest standards of corporate governance. The Board, with the assistance of the Nominating and Board Governance Committee, periodically reviews the Corporate Governance Guidelines to ensure they reflect changes in legal or regulatory requirements, evolving corporate governance practices and the

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Board's policies and procedures. The Corporate Governance Guidelines, which were most recently amended by the Board on April 20, 2015, are available on the Corporate Governance page of the Company's website at [www.bercrombie.com](http://www.bercrombie.com), accessible through the Investors page.

### **Code of Business Conduct and Ethics**

In accordance with applicable NYSE Rules, the Board has adopted the Abercrombie & Fitch Co. Code of Business Conduct and Ethics, which was most recently amended by the Board on December 15, 2015 and is available on the Corporate Governance page of the Company's website at [www.bercrombie.com](http://www.bercrombie.com), accessible through the Investors page. The Code of Business Conduct and Ethics, which is applicable to all associates, managers, officers and directors worldwide (including members of the Board), incorporates an additional Code of Ethics applicable to the Chief Executive Officer, the Chief Financial Officer, Controllers, the Treasurer, all Vice Presidents in the Finance Department and other designated financial associates. The Company intends to satisfy any disclosure requirements regarding any amendment of, or waiver from, a provision of the Code of Business Conduct and Ethics by posting such information on the Corporate Governance page of the Company's website at [www.bercrombie.com](http://www.bercrombie.com), accessible through the Investors page.

### **Compensation and Organization Committee Interlocks and Insider Participation**

With respect to Fiscal 2015 and from January 31, 2016 through the date of this Proxy Statement, there were no interlocking relationships between any executive officer of the Company and any entity, one of whose executive officers serves or served on the Company's Compensation and Organization Committee or the Board, or any other relationship required to be disclosed in this section under the applicable SEC Rules.

The Compensation and Organization Committee is currently comprised of Michael E. Greenlees (Chair), Terry L. Burman, Charles R. Perrin and Craig R. Stapleton. Each of Messrs. Greenlees, Burman, Perrin and Stapleton served as a member of the Compensation and Organization Committee throughout Fiscal 2015. Diane L. Neal served as a member of the Compensation and Organization Committee during Fiscal 2015 from February 1, 2015 to June 18, 2015.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table furnishes, with respect to each person who is known to the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock of the Company, the name and address of such beneficial owner, the number of shares of Common Stock reported as beneficially owned (as determined in accordance with Rule 13d-3 under the Exchange Act) by such beneficial owner in the most recent Schedule 13G or Schedule 13G/A filed with the SEC and the percentage such shares comprised of the outstanding shares of Common Stock of the Company as of April 18, 2016.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class <sup>(1)</sup>
FMR LLC Abigail P. Johnson	7,836,900 <sup>(2)</sup>	11.6%
Fidelity Low-Priced Stock Fund  245 Summer Street  Boston, MA 02210		
The Vanguard Group, Inc. 100 Vanguard Blvd.  Malvern, PA 19355	6,786,737 <sup>(3)</sup>	10.0%
BlackRock, Inc. 55 East 52 <sup>nd</sup> Street  New York, NY 10055	5,819,203 <sup>(4)</sup>	8.6%
State Street Corporation State Street Financial Center  One Lincoln Street  Boston, MA 02111	3,778,374 <sup>(5)</sup>	5.6%

<sup>(1)</sup> The percent of class is based upon 67,592,998 shares of Common Stock outstanding on April 18, 2016.

<sup>(2)</sup> Based on information contained in a Schedule 13G/A filed by FMR LLC, Abigail P. Johnson and Fidelity Low-Priced Stock Fund with the SEC on February 12, 2016 to report beneficial ownership of shares of the Company's Common Stock as of December 31, 2015. Fidelity Low-Priced Stock Fund, a registered investment fund, 245 Summer Street, Boston, Massachusetts 02210, was reported to beneficially own 6,867,900 shares of Common Stock (10.2% of the shares outstanding on April 18, 2016) and to have sole voting power with respect to those shares.

Abigail P. Johnson, who is a Director, the Vice Chairman, the Chief Executive Officer and the President of FMR LLC, and FMR LLC, through its control of Fidelity Management & Research Company, a wholly-owned subsidiary of FMR LLC and a registered investment advisor ( FMR Co ), and the various registered investment companies for which FMR Co serves as investment adviser (the Fidelity Funds ), each was reported to have sole power to dispose of the 7,836,900 shares of Common Stock owned by the Fidelity Funds. Neither FMR LLC nor Abigail P. Johnson was reported to have the sole power to vote or direct the voting of the shares of Common Stock owned directly by the Fidelity Funds, which power was reported to reside with the Fidelity Funds' Boards of Trustees. FMR Co was reported to carry out the voting of the shares of Common Stock under written guidelines established by the Fidelity Funds' Boards of Trustees. FMR LLC was reported to have sole voting power as to 769,500 shares of Common Stock.

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Members of the Johnson family, including Abigail P. Johnson, were reported to be the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B stockholders were reported to have entered into a stockholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority of the Series B voting common shares. Through their ownership of voting common shares and the execution of the stockholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC.

- (3) Based on information contained in a Schedule 13G/A filed by The Vanguard Group, Inc. with the SEC on March 10, 2016 to report beneficial ownership of shares of the Company's Common Stock as of February 29, 2016. The Vanguard Group, Inc. reported that it is deemed to be the beneficial owner of 6,786,737 shares of Common Stock. The Vanguard Group, Inc. reported sole voting power as to 87,434 shares, shared voting power as to 7,000 shares, sole dispositive power as to 6,696,603 shares and shared dispositive power as to 90,134 shares.

Vanguard Fiduciary Trust Company ( VFTC ), a wholly-owned subsidiary of The Vanguard Group, Inc., was reported to be the beneficial owner of 83,134 shares of Common Stock (0.1% of the shares outstanding on April 18, 2016) as a result of VFTC serving as investment manager of collective trust accounts.

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Vanguard Investments Australia, Ltd. (VIA), a wholly-owned subsidiary of The Vanguard Group, Inc., was reported to be the beneficial owner of 11,300 shares of Common Stock (0.02% of the shares outstanding on April 18, 2016) as a result of VIA serving as investment manager of Australian investment offerings.

- (4) Based on information contained in a Schedule 13G/A filed by BlackRock, Inc. with the SEC on January 25, 2016 to report beneficial ownership of shares of the Company's Common Stock as of December 31, 2015. BlackRock, Inc. reported that, through its subsidiaries (BlackRock Advisors, LLC; BlackRock Asset Management Canada Limited; BlackRock Asset Management Ireland Limited; BlackRock Asset Management Schweiz AG; BlackRock Financial Management, Inc.; BlackRock Fund Advisors; BlackRock Institutional Trust Company, N.A.; BlackRock Investment Management (Australia) Limited; BlackRock Investment Management (UK) Ltd.; BlackRock Investment Management, LLC; BlackRock Life Limited; and Xulu, Inc.), it is deemed to be the beneficial owner of 5,819,203 shares of Common Stock. BlackRock, Inc. reported sole voting power as to 5,642,739 shares and sole dispositive power as to 5,819,203 shares.
- (5) Based on information contained in a Schedule 13G filed by State Street Corporation with the SEC on February 12, 2016 to report beneficial ownership of shares of the Company's Common Stock as of December 31, 2015. State Street Corporation reported that, through its subsidiaries (State Street Bank and Trust Company; SSGA Funds Management, Inc.; State Street Global Advisors Limited; State Street Global Advisors, Ltd; State Street Global Advisors, Australia, Limited; State Street Global Advisors (Asia) Limited; and State Street Global Advisors Ireland Limited), it is deemed to be the beneficial owner of 3,778,374 shares of Common Stock. State Street Corporation reported shared voting power and shared dispositive power as to all 3,778,374 shares.

The following table furnishes the number of shares of Common Stock of the Company beneficially owned (as determined in accordance with Rule 13d-3 under the Exchange Act) by each of the current directors, by each of the Nominees, by each of the named executive officers, and by all of the current directors and executive officers as a group, as of April 18, 2016.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership <sup>(1)(2)</sup>	Percent of Class <sup>(3)</sup>
Christos E. Angelides	115,387	*
James B. Bachmann	30,236	*
Robert E. Bostrom	7,675	*
Bonnie R. Brooks	10,591	*
Terry L. Burman	19,891	*
Diane Chang	154,475	*
Joanne C. Crevoiserat	49,300	*
Sarah M. Gallagher <sup>(4)</sup>	8,191	*
Michael E. Greenlees <sup>(4)</sup>	1,500	*
Archie M. Griffin <sup>(4)</sup>	11,452	*
Fran Horowitz	46,593	*
Arthur C. Martinez <sup>(4)</sup>	20,000	*
Charles R. Perrin <sup>(4)</sup>	25,415	*
Jonathan E. Ramsden <sup>(5)</sup>	133,220	*
Stephanie M. Shern	8,391	*
Craig R. Stapleton <sup>(4)</sup>	47,398	*
Current directors and executive officers as a group (15 persons)	574,328	*

\* Less than 1%.

- (1) Unless otherwise indicated, each individual has voting and dispositive power over the listed shares of Common Stock and such voting and dispositive power is exercised solely by the named individual or shared with a spouse.

Includes the following number of shares of Common Stock issuable by June 17, 2016 upon vesting of RSUs or the exercise of outstanding in-the-money options and SARs which are currently exercisable or will become exercisable by June 17, 2016: Mr. Bachmann 5,391 shares; Mr. Bostrom 4,504 shares; Ms. Brooks 5,391 shares; Mr. Burman 5,391 shares; Ms. Chang 113,513 shares; Ms. Crevoiserat 33,513 shares; Ms. Gallagher 5,391 shares; Ms. Horowitz 16,892 shares; Mr. Perrin 5,391 shares; Mr. Ramsden 76,892 shares; Ms. Shern 5,391 shares; and all current directors and executive officers as a group

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277,660 shares. The Company has included for this purpose the gross number of shares of Common Stock deliverable upon vesting of RSUs or the exercise of outstanding in-the-money options and SARs, but the actual number of shares received will be less as a result of the payment of applicable withholding taxes. The numbers reported do not include any unvested RSUs or any unvested in-the-money options or SARs held by directors or executive officers (other than those specified in this footnote).



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- (2) The actual number of shares of Common Stock that would be acquired upon exercise of the SARs will vary depending on the fair market value of the Company's Common Stock at the time of exercise and the payment of applicable withholding taxes.

Not included in the table are shares underlying SARs which are currently exercisable or will become exercisable by June 17, 2016 but as to which the base price is greater than the \$28.52 fair market value of a share of Common Stock at April 18, 2016:

- (a) for Mr. Bostrom, 7,500 gross shares subject to SARs with a base price of \$32.59, which is greater than the \$28.52 fair market value of a share of Common Stock at April 18, 2016.
- (b) for Ms. Chang, 105,000 gross shares subject to SARs with a base price of \$44.86; 70,000 gross shares subject to SARs with a base price of \$54.87; 67,500 gross shares subject to SARs with a base price of \$52.89; 42,000 gross shares subject to SARs with a base price of \$45.69; and 17,500 gross shares subject to SARs with a base price of \$39.64, representing an aggregate of 302,000 gross shares subject to SARs with a base price which is greater than the \$28.52 fair market value of a share of Common Stock at April 18, 2016.
- (c) for Ms. Crevoiserat, 45,000 gross shares subject to SARs with a base price of \$37.14, which is greater than the \$28.52 fair market value of a share of Common Stock at April 18, 2016.
- (d) for Ms. Horowitz, 6,120 gross shares subject to SARs with a base price of \$28.81, which is greater than the \$28.52 fair market value of a share of Common Stock at April 18, 2016.
- (e) for Mr. Ramsden, 140,000 gross shares subject to SARs with a base price of \$44.86; 70,000 gross shares subject to SARs with a base price of \$54.87; 67,500 gross shares subject to SARs with a base price of \$52.89; 27,000 gross shares subject to SARs with a base price of \$45.69; 15,000 gross shares subject to SARs with a base price of \$52.48; and 20,000 gross shares subject to SARs with a base price of \$39.64, representing an aggregate of 339,500 gross shares subject to SARs with a base price which is greater than the \$28.52 fair market value of a share of Common Stock at April 18, 2016.

The numbers reported do not include any unvested SARs held by executive officers (other than those specified in this footnote).

- (3) The percent of class is based upon the sum of 67,592,998 shares of Common Stock outstanding on April 18, 2016 and the number of shares of Common Stock, if any, as to which the named individual or group has the right to acquire beneficial ownership by June 17, 2016, either (i) through the vesting of RSUs or upon the exercise of options which are currently exercisable or will become exercisable by June 17, 2016 or (ii) upon the exercise of SARs which are currently exercisable or will become exercisable by June 17, 2016, assuming the \$28.52 fair market value of a share of Common Stock at April 18, 2016 and base prices of the SARs in excess of such fair market value (computed as net common shares to be received upon exercise of SARs in the same manner as in footnote (2) to this table).
- (4) The Amount and Nature of Beneficial Ownership does not include the following number of shares of Common Stock credited to the bookkeeping accounts of the following directors under the Directors' Deferred Compensation Plan or that will be credited to such bookkeeping accounts by April 18, 2016 as a result of the deferral of RSUs which are to vest by June 17, 2016: Ms. Gallagher 3,070 shares; Mr. Greenlees 19,144 shares; Mr. Griffin 44,027 shares; Mr. Martinez 149,456 shares; Mr. Perrin 4,605 shares; Mr. Stapleton 23,055 shares; and all current directors as a group, 243,358 shares. While the directors have an economic interest in these shares, each director's only right with respect to his or her bookkeeping account (and the amounts allocated thereto) is to receive a distribution of the whole shares of Common Stock represented by the share equivalent credited to his or her bookkeeping account (plus cash representing the value of fractional shares) in accordance with the terms of the Directors' Deferred Compensation Plan.
- (5) The Amount and Nature of Beneficial Ownership does not include 46,404 shares of Common Stock underlying Special Award RSUs granted to Mr. Ramsden, 23,202 of which vested on September 30, 2015 and 23,202 of which will vest on May 31, 2016 but, in each case, as to which settlement was deferred so that such shares will not be issued to Mr. Ramsden until (i) the date that is six months following his termination of employment for any reason other than his death or (ii) if sooner, the date of his death.

**Section 16(a) Beneficial Ownership Reporting Compliance**

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To the Company's knowledge, based solely on a review of the forms furnished to the Company and written representations that no other forms were required, during Fiscal 2015, all directors, officers and beneficial owners of greater than 10% of the outstanding shares of Common Stock timely filed the reports required by Section 16(a) of the Exchange Act; except that Craig R. Stapleton, a director of the Company, filed late one Form 4 covering one transaction.

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**PROPOSAL 2 AMENDMENT OF THE COMPANY S**

**AMENDED AND RESTATED BYLAWS TO IMPLEMENT PROXY ACCESS**

Under this Proposal 2, the Board is recommending that our stockholders approve amendments to our Amended and Restated Bylaws to implement proxy access. The proposed amendments are contained in Section 2.04 of our Amended and Restated Bylaws, a copy of which is attached to this Proxy Statement as Appendix A (the Amendments ).

Proxy access allows eligible stockholders to include their own nominees for director in the Company s proxy materials for an annual meeting of stockholders, along with the candidates nominated by the Board. A non-binding stockholder proposal submitted by the Comptroller of the City of New York (the New York City Comptroller ), in the capacity as the custodian and a trustee of the New York City Employees Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers Retirement System and the New York City Police Pension Fund and the custodian of the New York City Board of Education Retirement System (collectively, the New York City Pension Funds ), along with the Connecticut Retirement Plans and Trust Funds and The City of Philadelphia Public Employees Retirement System, which requested that we adopt and present a proxy access bylaw for stockholder approval, received the support of a majority constituting 52% of the votes cast by our stockholders at the 2014 Annual Meeting of Stockholders. After considering the views expressed by our stockholders, the Board proceeded to move forward with the consideration of proposed amendments to our Amended and Restated Bylaws to implement a proxy access right consistent with the stockholder proposal approved at our 2014 Annual Meeting of Stockholders.

On March 11, 2015, the Company, the New York City Comptroller and the New York City Pension Funds, along with the Connecticut Retirement Plans and Trust Funds, The City of Philadelphia Public Employees Retirement System and the UAW Retiree Medical Benefits Trust, collectively, announced an agreement that the Company would submit a proxy access bylaw amendment to be voted upon by stockholders at the 2015 Annual Meeting of Stockholders. As part of this agreement, the New York City Pension Funds, the Connecticut Retirement Plans and Trust Funds, The City of Philadelphia Public Employees Retirement System and the UAW Retiree Medical Benefits Trust withdrew the stockholder proposal they had submitted for the 2015 Annual Meeting of Stockholders and announced that they plan to support the Company s proposal in the form of the Amendments.

Pursuant to the Company s organizational documents, the Amendments do not become effective unless they are approved by the affirmative vote of the holders of at least 75% of the outstanding shares of Common Stock entitled to vote thereon. The Amendments did not receive the required affirmative vote for approval at the 2015 Annual Meeting of Stockholders, receiving the affirmative vote of approximately 63.4% of the outstanding shares of Common Stock entitled to vote thereon.

In the spirit of the March 11, 2015 agreement and in recognition of good governance principles, the Board has determined to propose the Amendments for approval by our stockholders at the 2016 Annual Meeting. The Amendments would become effective upon the required approval by our stockholders. The Board believes that the Amendments include requirements and provisions designed to provide meaningful rights of proxy access while reducing some risks of abuse.

**Description of Proposed Amendments**

The following description of the proposed Amendments is only a summary and is qualified in its entirety by reference to the complete text of the Amendments which is attached to this Proxy Statement as Appendix A. You are urged to read the Amendments in their entirety.

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***Eligibility of Stockholders to Nominate Directors***

Any stockholder or group of up to 20 stockholders who have maintained continuous qualifying ownership of at least 3% of the shares of the Company's outstanding Common Stock for at least the previous three years would be permitted to include a specified number of director nominees in the Company's proxy materials for its annual meeting of stockholders. If the market capitalization (calculated in the manner provided in the Amendments) of the Company is at least \$2.5 billion, the maximum number of stockholders that may form a group constituting an eligible stockholder will be increased from 20 to 25.

***Calculation of Qualifying Ownership***

In order to ensure that the interests of stockholders seeking to include director nominees in the Company's proxy materials are aligned with those of other stockholders, a nominating stockholder would be deemed to own only those shares of outstanding Common Stock of the Company as to which the stockholder possesses both (i) the full voting and investment rights pertaining to the shares and (ii) the full economic interest in (including the opportunity for profit from and risk of loss on) such shares. The following shares **would not** count as owned shares for purposes of the Amendments:

shares sold by the stockholder or any of the stockholder's affiliates or associates in any transaction that has not been settled or closed;

shares borrowed by the stockholder or any of the stockholder's affiliates or associates for any purposes or purchased by the stockholder or any of the stockholder's affiliates or associates pursuant to an agreement to resell; or

shares subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by the stockholder or any of the stockholder's affiliates or associates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of shares of outstanding Common Stock, which agreement or instrument has, or is intended to have, the purpose or effect of (a) reducing in any manner, to any extent or at any time in the future, the stockholder's or the stockholder's affiliate's or associate's full right to vote or direct the voting of any such shares and/or (b) hedging, offsetting or altering to any degree gain or loss realized or realizable from maintaining the full economic ownership of such shares by the stockholder or the stockholder's affiliate or associate.

A stockholder will be deemed to own shares of outstanding Common Stock that have been loaned by or on behalf of the stockholder to another person if and only if the stockholder has the right to recall such loaned shares, undertakes to recall and does recall such loaned shares upon being notified that any of the stockholder's nominees will be included in the Company's proxy materials for the applicable annual meeting. A stockholder will also be deemed to own shares of Common Stock held in the name of a nominee or other intermediary so long as the stockholder retains the right to instruct how the shares are voted in the election of directors and possesses the full economic interest in the shares.

***Number of Stockholder-Nominated Candidates***

The maximum number of candidates nominated by all eligible stockholders that the Company would be required to include in the Company's proxy materials is 25% of the number of directors in office as of the last day on which a notice of nomination may be delivered to the Company under the advance notice of nomination provisions of the Company's Amended and Restated Bylaws described in the section captioned

**PROPOSAL 1 ELECTION OF DIRECTORS Director Nominations** beginning on page 40 of this Proxy Statement. If the 25% calculation does not result in a whole number, the maximum number of stockholder-nominated candidates would be the closest whole number below 25%. If one or more vacancies occur on the Board, or the Board decides to reduce the size of the Board in connection with the annual meeting, after the advance notice of nomination deadline, the nominee limit would be calculated based on the reduced number of directors. Any

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stockholder-nominated candidate who is either subsequently withdrawn or disqualified or included by the Board in the Company's proxy materials as a Board-nominated candidate would be counted against the nominee limit.

### ***Procedure for Electing Candidates if Nominee Limit Exceeded***

If the number of stockholder-nominated candidates exceeds the nominee limit, each nominating stockholder will select one proposed nominee for inclusion in the Company's proxy materials, beginning with the nominating stockholder with the largest qualifying ownership and proceeding through the list of nominating stockholders in descending order of qualifying ownership, until the nominee limit is reached.

### ***Nominating Procedures***

In order to provide adequate time to assess stockholder-nominated candidates, requests to include stockholder-nominated candidates in the Company's proxy materials must be delivered or mailed and received at the Company's principal executive offices no earlier than 150 days and no later than 120 days before the first anniversary of the date that the Company distributed its proxy statement to stockholders for the previous year's annual meeting of stockholders.

### ***Information Required of All Nominating Stockholders***

Each stockholder seeking to include a director nominee in the Company's proxy materials would be required to provide certain information to the Company, including:

verification of, and information regarding, the stockholder's ownership of shares of the Company's Common Stock as of the date of the submission of the nomination and continuous qualifying ownership through the record date for the annual meeting;

the information required by the advance notice of nomination provisions of the Company's Amended and Restated Bylaws;

a copy of the stockholder's notice on Schedule 14N that has been filed with the SEC;

the written consent of the stockholder nominee to being named in the Company's proxy materials and serving as a director, if elected; and

the written consent of the stockholder to the public disclosure of the information provided to the Company.

Nominating stockholders would also be required to make certain representations to and agreements with the Company, including:

lack of intent to change or influence control of the Company;

intent to maintain qualifying ownership through the annual meeting date;

intentions with respect to maintaining qualifying ownership for at least one additional year after the annual meeting date;

refraining from nominating any person for election to the Board other than the stockholder's nominee(s) submitted through the proxy access process;

intent to be present in person or by proxy to submit the stockholder's nomination at the annual meeting;

engaging and/or participating only in the solicitation of the stockholder's nominee(s) or Board nominees;

not distributing any form of proxy for the annual meeting other than the form distributed by the Company;

complying with solicitation rules and assuming liabilities related to and indemnifying the Company against losses arising out of the nomination;

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the accuracy and completeness of all facts, statements and other information provided to the Company; and

recalling any outstanding shares that have been loaned by or on behalf of the stockholder to another person that are to be counted for purposes of determining the stockholder's qualifying ownership and eligibility to nominate directors, upon being notified that any of the stockholder's nominees will be included in the Company's proxy materials for the applicable annual meeting.

***Information Required of All Stockholder Nominees***

Each stockholder nominee would be required to make certain written representations to and agreements with the Company, including:

refraining from voting agreements or commitments to act or vote as a director on any issue or question that has not been disclosed to the Company;

not becoming a party to any compensatory, reimbursement or indemnification arrangements with a person or entity other than the Company in connection with such nominee's candidacy for director or service or action as a director;

complying with applicable laws and stock exchange requirements and the Company's policies and guidelines applicable to directors; and

the accuracy and completeness of all facts, statements and other information provided to the Company. Stockholder nominees would also be required to submit completed and signed questionnaires required of the Company's directors and officers, and provide any additional information required for the Board's independence evaluation and determination.

***Exclusion of Stockholder Nominees***

The Company would not be required to include a stockholder nominee in the Company's proxy materials if:

he or she has been nominated on an opposing slate under the advance notice of nomination provisions of the Company's Amended and Restated Bylaws;

the stockholder who nominated him or her is soliciting for one or more candidates nominated on an opposing slate under the advance notice of nomination provisions of the Company's Amended and Restated Bylaws;

the nominee becomes party to a compensatory, reimbursement or indemnification arrangement with a person or entity other than the Company in connection with such nominee's candidacy for director or service or action as a director;

the nominee is not independent under any applicable independence standards;

the election of the nominee would cause the Company to violate its Amended and Restated Bylaws or Amended and Restated Certificate of Incorporation, any stock exchange requirements or any other applicable state or federal laws, rules or regulations;

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the nominee has been an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, within the past three years;

the nominee is the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in a criminal proceeding within the past ten years; or

the nominee or the nominating stockholder has provided false or misleading information to the Company or breached any of such person's respective obligations under the Amendments.



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The Board or the chairman of the annual meeting of stockholders would declare a director nomination by a stockholder to be defective, and such nomination would be disregarded, if (i) the director nominee or the stockholder breaches any of their respective obligations under the Amendments or (ii) the stockholder does not appear at the annual meeting of stockholders in person or by proxy to present the nomination.

### ***Future Disqualification of Stockholder Nominees***

Any stockholder nominee who is included in the Company's proxy materials but subsequently withdraws from or becomes ineligible for election at the annual meeting of stockholders would be ineligible for nomination for the next two succeeding annual meetings.

### ***Supporting Statement***

Nominating stockholders would be permitted to include in the Company's proxy statement for the applicable annual meeting of stockholders a 500-word statement in support of their nominee(s). The Company may omit any information or statement that the Company, in good faith, believes would violate any applicable law or regulation, including by being materially false or misleading, or otherwise cause harm to the Company.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE *FOR***  
**THE PROPOSAL TO APPROVE THE AMENDMENTS TO OUR AMENDED**  
**AND RESTATED BYLAWS TO IMPLEMENT *PROXY ACCESS*.**

### **Required Vote**

Pursuant to Article FIFTH, Section 2 of the Company's Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least 75% of the outstanding shares of Common Stock entitled to vote thereon is required for approval of this proposal. Abstentions and broker non-votes, if any, will have the effect of votes *AGAINST* the proposal.

### **PROPOSAL 3 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**

We are asking stockholders to approve an advisory resolution on the Company's executive compensation as reported in this Proxy Statement. As described below in the **COMPENSATION DISCUSSION AND ANALYSIS** section of this Proxy Statement beginning on page 56, the Company implemented significant changes to its compensation programs for its NEOs for the fiscal year ended January 31, 2015 (Fiscal 2014). Because of the high level of stockholder support that we obtained at the 2015 Annual Meeting, changes for Fiscal 2015 were limited. In particular, the changes made in Fiscal 2015 were intended to either streamline the program or provide greater flexibility to differentiate high performance during a difficult retail environment.

Stockholders are urged to read the **COMPENSATION DISCUSSION AND ANALYSIS** beginning on page 56 of this Proxy Statement, which describes in more detail how the Company's executive compensation policies and procedures achieve the Company's compensation objectives, as well as the **Fiscal 2015 Summary Compensation Table** beginning on page 74 of this Proxy Statement and related compensation tables, notes and narrative, which provide detailed information on the compensation of the NEOs.

In accordance with Section 14A of the Exchange Act, and as a matter of good corporate governance, the Company is asking stockholders to approve the following advisory resolution at the Annual Meeting:

RESOLVED, that the stockholders of Abercrombie & Fitch Co. (the Company) approve, on an advisory basis, the compensation of the Company's named executive officers disclosed in the Compensation Discussion and Analysis, the Fiscal 2015 Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for the Company's 2016 Annual Meeting of Stockholders.

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This advisory resolution, commonly referred to as a Say on Pay vote, is non-binding on the Board. Although non-binding, the Board and the Compensation and Organization Committee will carefully review and consider the voting results when evaluating our executive compensation programs for Fiscal 2017 and future years. Taking into account the advisory vote of stockholders regarding the frequency of future advisory votes to approve executive compensation at our 2011 Annual Meeting of Stockholders, the Board's current policy is to include an advisory resolution regarding approval of the compensation of our named executive officers annually. Accordingly, unless the Board modifies its policy on the frequency of future votes, the next advisory vote to approve our executive compensation will occur at the 2017 Annual Meeting of Stockholders.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE *FOR***

**THE APPROVAL OF THE ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION.**

**Required Vote**

The approval of the advisory resolution on executive compensation requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting thereon. Under applicable NYSE Rules, broker non-votes will not be treated as votes cast. Abstentions will not be counted as votes ***FOR*** or ***AGAINST*** the proposal.

**COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis provides important information on our executive compensation programs and on the amounts shown in the executive compensation tables that follow. In this Proxy Statement, the term "named executive officers" (sometimes referred to as "NEOs") means the individual executive officers named in the executive compensation tables that follow (and who are listed below). The compensation programs are governed by the Compensation and Organization Committee of the Board (the "Compensation and Organization Committee" or the "Committee"), which is comprised solely of independent directors of the Company.

The Company's NEOs include the following individuals:

<b>NEO</b>	<b>Position</b>
Jonathan E. Ramsden	Chief Operating Officer and Interim Principal Executive Officer
Joanne C. Crevoiserat	Executive Vice President and Chief Financial Officer
Fran Horowitz	President and Chief Merchandising Officer
Diane Chang	Executive Vice President - Sourcing
Robert E. Bostrom	Senior Vice President, General Counsel and Corporate Secretary
Christos E. Angelides <sup>(1)</sup>	Former Brand President of Abercrombie & Fitch and abercrombie kids

<sup>(1)</sup> On December 18, 2015, the employment of Mr. Angelides was terminated by the Company without cause.

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### **Executive Summary**

#### ***Year of Leadership Transition***

We continued to make organizational changes during Fiscal 2015, continuing the evolution that we began at the end of Fiscal 2013 and that included the retirement of Michael S. Jeffries, our former Chief Executive Officer, at the end of Fiscal 2014. Among other factors, these were designed to support a transition in leadership and a move to a brand-based organizational model. They also reflect our commitment to best practices in corporate governance.

On January 27, 2014, the Board separated the positions of Chief Executive Officer and Chairman of the Board, elected Arthur C. Martinez, Terry L. Burman and Charles R. Perrin to three newly-created directorships on the Board, and appointed Arthur C. Martinez as Non-Executive Chairman of the Board. Subsequently, the Board nominated four new independent directors—Bonnie R. Brooks, Sarah M. Gallagher, Diane L. Neal and Stephanie M. Shern—for election, and accepted the decision of four incumbent directors not to stand for re-election, at the 2014 Annual Meeting of Stockholders.

On January 27, 2014, the Board created the new position of Chief Operating Officer (COO) and promoted Jonathan E. Ramsden, the Company's Executive Vice President and Chief Financial Officer, to that role.

On May 5, 2014, Joanne C. Crevoiserat commenced employment as our new Executive Vice President and Chief Financial Officer.

We created two new Brand President positions to lead the execution of our brand-based business strategy. On October 20, 2014, Christos E. Angelides and Fran Horowitz each commenced employment as our new Brand Presidents of Abercrombie & Fitch and abercrombie kids and of Hollister, respectively.

On December 8, 2014, Mr. Jeffries retired from the position of Chief Executive Officer of the Company and resigned as a director of the Company. At that time, Mr. Martinez was appointed Executive Chairman of the Board, Mr. Ramsden was appointed as Interim Principal Executive Officer. The Board also formed an Office of the Chairman to allow for effective management of our business during a transition in leadership and our move to a brand-based organizational model.

As a result of his appointment as Executive Chairman of the Board, Mr. Martinez is leading the Office of the Chairman in his capacity as the representative of the Board. In addition, certain officers of the Company, including certain members of the Office of the Chairman, report to Mr. Martinez in his capacity as the representative of the Board. Mr. Martinez continues to provide experienced and independent leadership for the Company.

The initial members of the Office of the Chairman were Mr. Martinez, Mr. Ramsden, Ms. Horowitz and Mr. Angelides.

On October 11, 2015, Ms. Crevoiserat took on additional responsibilities and was appointed as a member of the Office of the Chairman.

On December 16, 2015, Ms. Horowitz, who was then serving as President of the Hollister brand, was promoted to the newly-created position of President and Chief Merchandising Officer. In her new position, Ms. Horowitz has responsibility for all customer-facing activities for all of our brands and continues to report to Mr. Martinez in his capacity as the representative of the Board. We expect to name a new president for each of our brands, who will report to Ms. Horowitz.

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On December 18, 2015, the employment of Mr. Angelides, Brand President of Abercrombie & Fitch and abercrombie kids, was terminated without cause by the Company.

On January 27, 2016, John M. Gabrielli, Senior Vice President, Human Resources, joined the Office of the Chairman.

The current members of the Office of the Chairman are Mr. Martinez, Mr. Ramsden, Ms. Horowitz, Ms. Crevoiserat and Mr. Gabrielli. The Office of the Chairman is responsible for overseeing and providing strategic direction to management.

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The working group established by the Board in 2014 to conduct a search and selection process for a new Chief Executive Officer has suspended its search to allow the reconstituted Office of the Chairman time to exercise leadership of the Company.

***Fiscal 2015 Business Results***

The Company capped a year of sequential comparable sales improvements with a return to positive comparable sales in the fourth quarter of Fiscal 2015. This result, achieved against the backdrop of a challenging retail environment, underscores the significant progress we made across all of our strategic initiatives throughout the year and continues to validate that we are on the right course. Fiscal 2015 was a year of tremendous change as the Company completed our move to a branded structure, strengthened our teams and improved core processes. Importantly, we evolved our assortment and we refocused our attention on our customer through greater accountability and empowerment at the store level, and through changes in our in-store experience. In addition, we continued to invest in direct-to-consumer and omni-channel and execute our aggressive store closure program. We accomplished many of our priorities in Fiscal 2015 and we are confident that we will continue to make progress in fulfilling the potential of our brands.

Priorities for Fiscal 2015	Results
Improve comparable sales trends in both U.S. and international stores driven by both improved assortment and customer experience.	Comparable sales for full year Fiscal 2015 decreased 3%, but comparable sales for the fourth quarter of Fiscal 2015 increased 1%.
Make further strategic investments in successful direct-to-consumer and omni-channel businesses.	On a sequential basis, comparable sales trends improved across all brands and geographies. Direct-to-consumer and omni-channel sales grew to approximately 24% of total Company net sales for full year Fiscal 2015, compared to approximately 22% of total Company net sales for Fiscal 2014.
Continue to seek ways to reduce expenses and be more efficient. Expand our international footprint selectively in high growth markets.	The Company achieved significant cost savings during 2015. During Fiscal 2015, the Company opened 30 new stores, including 15 international full-price stores.

The Company also closed 59 stores, primarily in the U.S.

***Pay for Performance Culture***

During Fiscal 2015, the Company continued to evolve our business and respond to challenges in the macroeconomic and consumer environment. The Company remains committed to creating long-term value for stockholders by increasing accountability for the performance of the Company's brands. The Company refined our brand-based organization model with the promotion of Ms. Horowitz to the role of President and Chief Merchandising Officer to oversee the repositioning of the Company's brands. The Company is focused on executing our long-term strategic plan, with an emphasis on improving the comparable store sales trend, continuing to invest in direct-to-consumer operations and omni-channel capabilities, ongoing process improvement and cost management, pursuing additional opportunities to expand the brand reach, and ensuring we are properly organized for the next phase of growth and increased accountability to the bottom line.

The Company's compensation programs are closely aligned with the Company's performance. Evidence of this strong link between pay and performance is the fact that the NEOs' overall Company performance score under the annual incentive compensation program (the IC Program) under the Company's Incentive

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Compensation Performance Plan (the Incentive Plan ) for Fiscal 2015 was below target. Awards to individual NEOs were highly differentiated to recognize and reward (or not reward) individual performance, as well as brand performance for individuals with brand responsibilities. In addition, most of the outstanding performance share awards ( PSAs ) are trending below target. Finally, the threshold goal with respect to improvement in EBIT margin ( EBIT Margin Improvement ) for the second tranche of PSAs granted to NEOs in Fiscal 2014 was not achieved and that portion of those PSA awards was forfeited.

Short-Term Incentives Earned for NEOs		PSAs Earned by NEOs
Fiscal 2015	Company Performance Factor 85% of target based on performance against adjusted EBIT and operational performance measures	PSAs tied to Relative TSR trending at target
		PSAs tied to ROIC trending below target
	Individual awards ranging from 0% to 131% of target, depending on individual performance	PSAs tied to Relative TSR trending below target
	Average individual award of 91% of target	PSAs tied to Return on Equity ( ROE ) trending below threshold
		2 <sup>nd</sup> tranche of PSAs tied to EBIT Margin Improvement forfeited

**Stockholder Outreach on Say on Pay Vote**

As a result of the Company s extensive stockholder outreach efforts and responsiveness to stockholder concerns, stockholders representing over 90% of the votes cast voted in favor of the Company s executive compensation program at the 2015 Annual Meeting of Stockholders. The Company continued in Fiscal 2015 to have extensive dialogue with our stockholders. Over the past twelve months, we estimate that we held discussions with stockholders who, in the aggregate, represented at least 50% of the shares eligible to be voted at the Annual Meeting. The Company expects to continue such discussions and, as a matter of policy and practice, fosters and encourages ongoing engagement with our stockholders on compensation and other matters.

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### ***Changes to the Compensation Program for Fiscal 2013 through Fiscal 2015***

The Company implemented significant changes in our compensation programs for the NEOs for Fiscal 2014. Because of the high level of stockholder support that we obtained at the 2014 and 2015 Annual Meetings of Stockholders, changes for Fiscal 2015 were limited. In particular, the changes made in Fiscal 2015 were intended to either streamline the program or provide greater flexibility to differentiate high performance during a difficult retail environment. An overview of the changes we have made to the compensation program since Fiscal 2013 includes:

#### **Annual Cash Incentive (IC)**

Ø For Fiscal 2015, the Compensation and Organization Committee changed the structure of the IC Program for NEOs and other members of the Leadership Team to provide flexibility during a year of leadership transition and a difficult retail climate.

Ø Under the new approach, IC depends on three factors: (1) Company financial performance against pre-established adjusted EBIT goals; (2) the Committee's holistic evaluation of performance against a basket of strategic and operational performance measures; and (3) individual performance.

Ø Individual performance assessments for NEOs with brand responsibilities reflect the performance of the brands, and financial targets applicable to associates at lower levels in the organization are also aligned with brand performance in addition to overall corporate results.

Ø IC payments are intended to qualify as tax-deductible performance-based compensation under Section 162(m) of the Internal Revenue Code and are subject to a minimum performance hurdle of \$100 million of adjusted EBIT, below which no payments would be made.

#### **Long-Term Incentives**

Ø For Fiscal 2015, the Compensation and Organization Committee changed the mix of the annual long-term incentive awards granted to the NEOs to maintain an emphasis on performance-based awards while recognizing the importance of retention during the Company's turnaround, as follows:

For members of the Office of the Chairman (on the date of the grant in March of 2015): The annual equity award consisted of 50% PSAs, 25% SARs and 25% RSUs; and

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For remaining members of the Leadership Team: The annual equity award consisted of  $33\frac{1}{3}\%$  PSAs,  $33\frac{1}{3}\%$  SARs and  $33\frac{1}{3}\%$  RSUs.



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**PSAs**

Ø For Fiscal 2014, and thereafter, the time frame for measuring performance for PSAs was extended to three years (from one year), and three-year cliff vesting was implemented, subject to achievement of challenging and rigorous performance targets.

Ø For Fiscal 2015, streamlined the design of the PSAs granted to the NEOs, to provide for vesting based upon two performance metrics linked to the Company's stockholder return and return on invested capital (Relative TSR and ROIC) rather than three metrics (Relative TSR, ROE and EBIT Margin Improvement).

Ø Weighted the two new PSA metrics for Fiscal 2015 as follows: one-half based on Relative TSR; and one-half based on ROIC.

Ø Incorporated a high degree of difficulty in the Relative TSR goals by requiring performance at the 60<sup>th</sup> percentile of the companies in the S&P Retail Select Industry Index before the target PSA payout is earned and performance at or above the 90<sup>th</sup> percentile of such companies before the maximum PSA payout is earned.

Ø Refined our metrics for PSAs granted in Fiscal 2015 to incorporate metrics that are more highly correlated with long-term value creation by replacing ROE with ROIC and setting the performance level for threshold payout at 12.5%, with the performance level for maximum payout set at 14.9%, to reward superior performance.

Ø Capped the percentage which may be earned by the NEOs at 100% of the target PSA payout in the event of negative TSR over the three-year performance period.

**SARs and RSUs**

Ø Continued four-year installment vesting to support objectives for talent retention.

A summary of the financial targets approved by the Committee for PSAs granted in Fiscal 2015 is presented below:

Payout Level Under Performance Metric	Total Stockholder Return vs. the	Return on Invested Capital for Fiscal 2015
---------------------------------------	-------------------------------------	---

	S&P Retail Select Industry Index for Fiscal	through Fiscal 2017*
	2015 through Fiscal 2017*	
Maximum	At or Above 90 <sup>th</sup> Percentile	14.9% or More
Target	60 <sup>th</sup> Percentile	13.7%
Threshold	At or Above 30 <sup>th</sup> Percentile	12.5%

\* If the performance level falls between Threshold and Target or between Target and Maximum, the level of payout is determined through interpolation. Return On Invested Capital (ROIC) is a non-GAAP measure calculated as adjusted EBITDAR (Earnings Before Interest, Taxes, Depreciation, Amortization, and Rent) divided by Total Average Invested Capital (comprising Gross Property and Equipment, Capitalized Value of Operating Leases, Receivables, Merch Inventory, and Prepaid and Other Current Assets; less Accounts Payable and Accrued Liabilities).

***Compensation Program for Fiscal 2016***

For Fiscal 2016, additional modifications have been made to the annual cash incentive program for the Leadership Team, including the NEOs. The modifications include refinements to include consideration of forward-looking strategic drivers that contribute to the Compensation and Organization Committee's assessment of Company performance.

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In Fiscal 2016, Company performance will continue to be based on a retrospective assessment of EBIT performance, as reflected in the weighted average overall annual Company IC achievement for associates below the Leadership Team level, considering a Spring Season IC weighting of 30% and a Fall Season IC weighting of 70%. The resulting IC payout factor will be adjusted up or down by up to 20% based on the Compensation and Organization Committee's assessment of performance on a set of strategic drivers that are directly linked to the Company's strategic priorities. This will allow the Company to focus on measures which support future brand health and improved financial performance.

The long-term incentive program for NEOs will remain the same, except that the Compensation and Organization Committee adopted a consistent long-term incentive mix for the entire Leadership Team for 2016 consisting of 50% PSAs and 50% time-vested RSUs, to balance long-term performance with retention considerations.

***Best Practices***

In addition to the changes to the compensation programs described above, the following compensation decisions and practices demonstrate how the Company's executive compensation program reflects best practices and reinforces the Company's culture and values:

Ø ***Emphasis on At-Risk Pay*** For NEOs, the majority of their total compensation opportunity is contingent upon the Company's financial performance and appreciation in the market price of the Company's Common Stock.

Ø ***Rigorous Performance Metrics*** Both the annual cash incentive payments and the PSA awards depend on corporate financial results. Starting in Fiscal 2015, annual cash incentive payments are earned for meeting challenging financial and strategic and operational performance measures, as well as recognizing and rewarding individual performance. The earning of PSAs depends on two critical metrics: Relative TSR and ROIC.

Ø ***Challenging Performance Targets*** Company performance was rated at 85% of target under the IC Program for Fiscal 2015 performance because financial and strategic and operational goals were only achieved in part. In addition, the PSAs granted to NEOs in Fiscal 2014 and Fiscal 2015 are generally trending below target or below threshold, except that the PSAs granted in Fiscal 2015 tied to Relative TSR are trending at target. Additionally, the threshold EBIT Margin Improvement goal for the second tranche of PSAs granted to NEOs in Fiscal 2014 was not achieved, and that portion of those PSA awards was forfeited.

Ø ***No Excise Tax Gross-Up Payments*** None of the NEOs are entitled to gross-up payments in the event that any payments or benefits provided to him or her by the Company are subject to the golden parachute excise tax under Sections 280G and 4999 of the Internal Revenue Code.

Ø ***Stock Ownership Guidelines*** Executive officers and directors are subject to stock ownership guidelines that align their long-term financial interests with those of the Company's stockholders.

Ø ***Clawback Policy*** Each of the plans pursuant to which annual and long-term incentive compensation may be paid to the Company's executive officers includes a stringent clawback provision, which allows the Company to seek repayment of any incentive amounts that were erroneously paid, without any requirement of misconduct on the part of the plan participant.

Ø ***Derivatives and Hedging Policy*** The Company prohibits associates (including the NEOs) and directors from engaging in hedging transactions with respect to any equity securities of the Company held by them.

Ø ***Policy Against Pledging*** The Company prohibits associates (including the NEOs) and directors from pledging any equity securities of the Company held by them.

Ø ***Policy Against Re-Pricing*** The Company prohibits re-pricing of stock options or SARs without stockholder approval.

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### **Compensation Process and Objectives**

The Compensation and Organization Committee, in consultation with management of the Company and the Compensation and Organization Committee's independent advisors, oversees the executive compensation and benefits program for the Company's NEOs. The compensation program is comprised of a combination of base salary, annual incentive compensation, long-term incentives and associate benefits. The objective of the executive compensation program is to attract, motivate and retain key creative and management talent who thrive in the highly-competitive specialty retail industry. The executive compensation program is designed to encourage a high degree of teamwork and reward individuals for achieving challenging financial and operational objectives that we believe lead to the creation and sustaining of long-term stockholder value.

The Company operates in the fast-paced and highly-competitive arena of specialty retail. To be successful, the Company must attract and retain key creative and management talents who thrive in this environment. The Company sets high goals and expects superior performance from these individuals. The Company's executive compensation structure is designed to support this culture. As such, the Company's executive compensation and benefit programs are designed to:

Drive high performance to achieve financial goals and create long-term stockholder value;

Reflect the strong team-based culture of the Company;

Support the transition to a brand-based organizational model; and

Provide compensation opportunities that are competitive with those offered by similar specialty retail organizations and other companies with which the Company competes for high caliber executive talent.

### **Fiscal 2015 Compensation Actions**

#### ***Base Salary***

The base salaries of the NEOs reflect the Company's operating philosophy, culture and business direction, with each base salary determined based upon an annual assessment of a number of factors, including the individual's current base salary, job responsibilities, internal equity considerations, impact on development and achievement of business strategy, labor market compensation data, individual performance relative to job requirements, the Company's ability to attract and retain critical executive officers, and base salaries paid for comparable positions within an identified compensation peer group. No specific goals or weightings are applied to the factors considered in setting the level of base salary and, thus, the process relies on the subjective exercise of the Compensation and Organization Committee's judgment.

The base salaries of the NEOs were reviewed by the Compensation and Organization Committee in March 2015. At that time, none of the NEOs received a salary increase. Effective on October 11, 2015, coincident with her appointment as a member of the Office of the Chairman, Ms. Crevoiserat's base salary was increased to \$800,000. Effective on December 21, 2015, coincident with her promotion to President and Chief Merchandising Officer, Ms. Horowitz's base salary was increased to \$1,100,000. The new base salaries for Ms. Crevoiserat and Ms. Horowitz were established with reference to market data on base salaries published by numerous sources including the peer group described below and surveys published by Hay Group and Equilar.

#### ***Annual Cash Incentive Plan***

In Fiscal 2015, the annual cash incentive for NEOs and selected members of the Company's Leadership Team was modified to provide more flexibility during a year of leadership transition and a challenging retail climate. The approach for Fiscal 2015 was designed to provide the Compensation and Organization Committee with flexibility in an uncertain year to reward (or decline to reward) NEOs and selected other senior executives as appropriate based on performance, in alignment with stockholder interests.

The Compensation and Organization Committee intends that any payments under this approach qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code and under the



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Company's stockholder-approved Incentive Plan. Accordingly, annual cash incentive payments were subject to a minimum performance hurdle of \$100 million in adjusted EBIT, below which no payments would be made.

The following is an overview of how the Incentive Plan worked in Fiscal 2015. Once the minimum performance hurdle was achieved, the IC Program enabled the Compensation and Organization Committee to evaluate Company financial performance as measured by adjusted EBIT, with upward or downward adjustments for holistic achievement on a basket of strategic and operational performance measures and individual performance:

Actual results for adjusted EBIT compared to goals set for the Spring and Fall seasons for total Company performance are shown below. Based on actual performance against these pre-established goals, the Committee determined that the preliminary payout percentage for Leadership Team members (including NEOs) based on total Company performance in Fiscal 2015 was 90% of target. By comparison, performance of the Hollister brand, as reflected in the weighted average of Spring and Fall incentives for Hollister associates below the Leadership Team level (whose seasonal incentives are based on an equal blend of Hollister results and overall Company results), was 133%; and performance of the Abercrombie & Fitch and abercrombie kids brands, as reflected in the weighted average of Spring and Fall incentives for Abercrombie & Fitch and abercrombie kids associates below the Leadership Team level (whose seasonal incentives are based on an equal blend of those brands' results and overall Company results), was 61%.

<b>Total Company Financial Performance:</b>					
<b>Adjusted EBIT Goals (\$000)</b>					
<b>Performance Period</b>	<b>Threshold<sup>(1)</sup></b>	<b>Target</b>	<b>Maximum</b>	<b>Actual Result<sup>(2)</sup></b>	<b>Payout Percentage</b>
Spring Season (30% weighting)	(\$ 80,600)	(\$ 22,800)	\$ 13,400	(\$ 32,833)	83%
Fall Season (70% weighting)	\$ 125,000	\$ 194,800	\$ 227,700	\$ 190,716	93%
<b>Preliminary Payout Percentage for Weighted-Average Company Financial Performance</b>					<b>90%</b>

(1) Payout of 25% of target would be achieved for performance at the threshold adjusted EBIT goals of (\$80,600,000) and \$125,000,000, with zero payout for lower performance.

(2) Reported EBIT for Fiscal 2015 (determined in accordance with GAAP) was \$72.8 million, which reconciles to the annualized adjusted EBIT results shown above (combined Spring Season and Fall Season) based on the following exclusions: (a) \$19.6 million reflecting variances in foreign currency exchange rates versus budget, the cost of total IC payments for all associates, and certain accounting adjustments; (b) \$31.8 million in restructuring, business transformation and store closure costs approved by the Board; (c) \$12.8 million in legal settlements (each in excess of \$5 million), to the extent that each such settlement exceeded budgeted estimates; (d) \$2.5 million in consulting fees and other costs in connection with implementation of the Company's profit improvement initiative; (e) non-budgeted executive severance costs of \$4.8 million; and (f) \$13.6 million of impairment charges.

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The preliminary payout percentage was adjusted downward to 85% of target based on the Committee's holistic evaluation of performance against a basket of strategic and operational performance measures, as shown below. The strategic and operational measures were not weighted or scored precisely, but rather the totality of Company performance informed the Committee's judgment of how well accomplishments in Fiscal 2015 positioned the Company going forward.

Performance Measure	Status	Compensation and Organization Committee Evaluation of Company Performance
<b>Company Financial Performance</b>		
Adjusted EBIT versus goals for Spring and Fall Seasons	Weighted full-year payout for Corporate is 90% of target.	90% of Target  (Preliminary result for purposes of Leadership Team IC including NEOs)
<b>Strategic and Operational Performance Measures</b>		
Customer Experience	Conversion gains across most brands, channels and geographies	Exceeds Expectation
Associate/Workplace Satisfaction	First Associate Engagement survey conducted in Fiscal 2015	Meets Expectation
Retention	Lower overall retention, especially in Store Management	Below Expectation
Diversity	Increased overall diversity, largely driven by Stores	Meets Expectation
Talent Development & Succession	Continued solid Home Office development, with new talent review process also implemented	Meets Expectation
<b>Final Company Performance Score for Leadership Team Members Including NEOs:</b>		<b>85% of Target</b>

*(Range is 0% - 200% of Target)*

Potential award opportunities, as well as actual annual incentive awards reflecting the Company Performance Score and Individual Performance scores, are detailed below. Individual target award opportunities did not change in Fiscal 2015, and award opportunities continued to be capped at twice target levels. The annual IC awards made to the NEOs who participated in the IC Program in Fiscal 2015 are listed in the **Fiscal 2015 Summary Compensation Table** beginning on page 74 of this Proxy Statement in the column captioned "Non-Equity Incentive Plan Compensation".

NEO	Payment at Threshold Performance Level as a % of Base Salary <sup>(1)</sup>	Payment at Target Performance Level as a % of Base Salary	Payment at Maximum Performance Level as a % of Base Salary	Actual Payment as a % of Target Award
Jonathan E. Ramsden	0%	95%	190%	106%
Joanne C. Crevoiserat <sup>(2)</sup>	0%	75%	150%	117%
Fran Horowitz <sup>(2)</sup>	0%	125%	250%	131%
Diane Chang	0%	95%	190%	90%
Robert E. Bostrom	0%	45%	90%	102%
Christos E. Angelides	0%	125%	250%	0%





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- (1) Leadership Team members (including NEOs) were only eligible for IC payment if the minimum performance hurdle of \$100 million in adjusted EBIT was achieved.
- (2) For Fiscal 2016, Ms. Crevoiserat's target annual incentive will increase from 75% to 85% and Ms. Horowitz's target annual incentive will increase from 125% to 135%, in each case in connection with the executive officer taking on expanded responsibilities.

Individual Performance scores were recommended by management to the Compensation and Organization Committee with input from the Company Chairman in his capacity as a director, and reflected an assessment of each executive's contribution to Company results. Fiscal 2015 incentive payments ranged from 0% of the target incentive opportunity to 131% of the target incentive opportunity, with an average of 91% for the NEOs. Mr. Angelides received 0% due to underperformance of the Abercrombie & Fitch and abercrombie kids brands, while Ms. Horowitz received 131% to recognize strong individual performance and excellent performance of the Hollister brand. The Compensation and Organization Committee believes that a high degree of differentiation in awards to individuals appropriately reinforces the Company's pay for performance philosophy.

**Long-Term Equity Incentives**

Long-term equity incentives are used to balance the annual focus of the Incentive Plan by tying a significant portion of total compensation to performance achieved over multi-year periods. Under the 2005 LTIP and the Company's Amended and Restated 2007 Long-Term Incentive Plan (the 2007 LTIP), the Compensation and Organization Committee may grant a variety of long-term incentive vehicles, including stock options, SARs, RSUs and PSAs. As noted above, in Fiscal 2015, the Company granted a combination of performance-based RSUs, SARs and PSAs.

The aggregate grant date fair value of the long-term incentives granted to the NEOs as part of the annual grant in Fiscal 2015 and the target mix of such awards is shown below. The aggregate grant date fair values represent each NEO's annual equity grant, determined based on his or her performance, market pay data, and consideration of the competitiveness of his or her overall compensation package. Long-term incentives for the members of the Office of the Chairman (at the time of the annual grant of awards in March of 2015) were granted 50% in the form of PSAs, 25% in the form of SARs and 25% in the form of time-based RSUs. Other members of the Leadership Team were granted long-term incentives which were 33 1/3% in the form of PSAs, 33 1/3% in the form of SARs and 33 1/3% in the form of time-based RSUs. This change established more consistency in grant practices for the Leadership Team compared to Fiscal 2014. The Compensation and Organization Committee determined that this mix of awards effectively balances critical performance metrics and objectives for retention.

**Aggregate Grant Date Fair Value and Target Mix of Annual Long-Term Incentives**

Named Executive Officer	Aggregate	PSAs	RSUs	SARs
	Grant Date Fair Value			
Jonathan E. Ramsden	\$ 2,106,544	50%	25%	25%
Joanne C. Crevoiserat <sup>(1)</sup>	\$ 1,293,832	33 1/3%	33 1/3%	33 1/3%
Fran Horowitz	\$ 2,106,544	50%	25%	25%
Diane Chang	\$ 1,293,832	33 1/3%	33 1/3%	33 1/3%
Robert E. Bostrom	\$ 431,291	33 1/3%	33 1/3%	33 1/3%
Christos E. Angelides	\$ 2,106,544	50%	25%	25%

- (1) Ms. Crevoiserat was appointed to the Office of the Chairman in October of 2015, after the annual grant in March of 2015.

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**Performance Share Awards.** The number of PSAs earned will vary from 0% to 200% of target, depending on the level of achievement with respect to the rigorous performance criteria associated with the grants. A summary of the financial targets approved by the Committee for PSAs granted in Fiscal 2015 is presented below:

Payout Level Under Performance Metric	Total Stockholder Return vs. the S&P Retail Select Industry Index for Fiscal	Return on Invested Capital for Fiscal 2015 through Fiscal 2017*
	2015 through Fiscal 2017*	for Fiscal 2015 through Fiscal 2017*
Maximum	At or Above 90 <sup>th</sup> Percentile	14.9% or More
Target	60 <sup>th</sup> Percentile	13.7%
Threshold	At or Above 30 <sup>th</sup> Percentile	12.5%

\* If the performance level falls between Threshold and Target or between Target and Maximum, the level of payout is determined through interpolation. Return On Invested Capital (ROIC) is a non-GAAP measure calculated as adjusted EBITDAR (Earnings Before Interest, Taxes, Depreciation, Amortization, and Rent) divided by Total Average Invested Capital (comprising Gross Property and Equipment, Capitalized Value of Operating Leases, Receivables, Merch Inventory, and Prepaid and Other Current Assets; less Accounts Payable and Accrued Liabilities).

**Restricted Stock Units (Annual Grant).** The Company typically includes a performance component to the vesting schedule for RSUs for the NEOs. Subject to continued employment with the Company, performance-based RSUs granted in Fiscal 2015 to the NEOs will vest 25% a year over a four-year period beginning on March 15 of the immediately following calendar year, provided the Company's adjusted non-GAAP net income is positive for the fiscal year ended immediately preceding the date the installment is to vest. If this performance hurdle is not met, the RSUs will not vest in accordance with the vesting schedule for that year. The NEOs would have the opportunity to earn back this unvested portion of the RSU award if the cumulative performance criteria are met in a subsequent year, subject to their continued employment with the Company. The use of positive adjusted non-GAAP net income as a performance hurdle complies with the IRS requirement for performance-based compensation, allowing the Company to treat the RSUs as tax-deductible compensation. This performance hurdle is not intended to have the same degree of rigor and difficulty as the performance goals used for annual cash IC awards and PSAs, since one of the Company's main objectives in granting RSUs is to retain executives. The Compensation and Organization Committee retains the right to adjust equity vesting schedules for specific circumstances.

**Stock Appreciation Rights.** The SARs granted in Fiscal 2015 to the NEOs vest 25% a year over four years beginning on March 15 of the year following the grant date, subject to continued employment with the Company.

**Special Award RSUs**

Mr. Ramsden was granted 92,807 RSUs with an approximate total value of \$2 million as of July 7, 2015. The value of the grant was approximately equal to a regular annual equity grant. This grant is intended to support the Company's retention strategy and compensate Mr. Ramsden for the additional responsibilities he assumed as a member of the Office of the Chairman of the Company and Interim Principal Executive Officer since December 2014. Twenty-five percent of the Special Award RSUs granted to Mr. Ramsden vested on September 30, 2015, twenty-five percent of the Special Award RSUs will vest on May 31, 2016, and the remaining fifty percent of the Special Award RSUs will vest on November 30, 2016, subject to Mr. Ramsden's continued employment on each applicable vesting date. Settlement of the Special Award RSUs granted to Mr. Ramsden will be deferred, and the shares of Common Stock subject to each vested portion of the Special Award RSUs will not be issued to Mr. Ramsden, until (i) the date that is six months following the date of Mr. Ramsden's termination of employment for any reason other than his death or (ii) if sooner, the date of his death.

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### ***Equity Grant Policy***

The Compensation and Organization Committee follows an Equity Grant Policy pursuant to which the Committee reviews and approves individual grants for the NEOs, as well as the total number of shares covered by PSAs, RSUs and SARs granted to all associates. The annual equity grants typically are reviewed and approved at the Compensation and Organization Committee's regular March meeting, although sign-on equity awards are generally approved at the time an executive officer commences employment with the Company. The grant date for the annual equity grants is the date of the Compensation and Organization Committee meeting at which they are approved. Administration of PSA, RSU and SAR awards is managed by the Company's human resources department with specific instructions related to the timing of grants given by the Compensation and Organization Committee. The Company has no intention, plan or practice to select annual grant dates for NEOs in coordination with the release of material, non-public information, or to time the release of such information because of award dates.

### ***Benefits***

As associates of the Company, the NEOs are eligible to participate in all of the broad-based Company-sponsored benefits programs on the same basis as other full-time associates.

In addition to the qualified Abercrombie & Fitch Co. Savings and Retirement Plan (the 401(k) Plan), the Company has a nonqualified deferred compensation plan, the Abercrombie & Fitch Nonqualified Savings and Supplemental Retirement Plan (the Nonqualified Savings and Supplemental Retirement Plan), that allows members of senior management to defer a portion of their compensation over and above the Internal Revenue Service (IRS) limits imposed on the Company's 401(k) Plan. The Company also makes matching contributions to the Nonqualified Savings and Supplemental Retirement Plan and, prior to January 1, 2016 made retirement contributions for certain participants who began participation prior to January 1, 2014. Company contributions have a five-year vesting schedule from the date of employment by the Company. The Nonqualified Savings and Supplemental Retirement Plan allows participants the opportunity to save and invest their own money on a similar basis (as a percentage of their compensation) as other associates under the 401(k) Plan. Furthermore, the Nonqualified Savings and Supplemental Retirement Plan is competitive with members of the Company's identified compensation peer group and other companies with whom the Company competes for talent, and the Company's contribution element provides retention value. The Company's Nonqualified Savings and Supplemental Retirement Plan is further described and Company contributions and the individual account balances for the NEOs are disclosed under the section captioned **EXECUTIVE OFFICER COMPENSATION Nonqualified Deferred Compensation** beginning on page 79 of this Proxy Statement.

The Company offers a life insurance benefit for all full-time associates equal to two times base salary. For Vice Presidents and above, the death benefit is set at four times base salary, up to a maximum of \$2,000,000.

The Company offers a long-term disability benefit to all full-time associates which covers 60% of base salary for the disability period. In addition, the Company offers an Executive Long-Term Disability Plan for all associates earning over \$200,000 in base salary which covers an additional 15% of base salary and 75% of target annual cash incentive compensation for the disability period.

The Company does not offer perquisites to our executive officers that are not widely available to all full-time associates.

### **Role of the Compensation and Organization Committee**

In Fiscal 2015, Compensation Advisory Partners LLC (CAP) served as the Compensation and Organization Committee's independent compensation consultant and Gibson, Dunn & Crutcher LLP (Gibson Dunn) served as the Committee's independent outside counsel. The only services that CAP and Gibson Dunn perform for the Company are at the direction of the Compensation and Organization Committee. Neither CAP

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nor Gibson Dunn provided any services to the Company in Fiscal 2015 other than executive and director compensation consulting and advisory services. In this regard, the Compensation and Organization Committee has adopted a policy regarding the use of outside compensation consultants that provides as follows:

If the Committee retains a compensation consultant to provide advice, information and other services to the Committee relating to the compensation of the Company's Chief Executive Officer, its officers identified in Rule 16a-1(f) under the Exchange Act or its non-associate directors or other matters within the responsibility of the Committee, such consultant may only provide services to, or under the direction of, the Committee and is prohibited from providing any other services to the Company.

The Compensation and Organization Committee has the right to terminate the services of the outside counsel and the compensation consultant at any time. While the Compensation and Organization Committee retains Gibson Dunn and CAP directly, Gibson Dunn and CAP interact with the Company's Executive Chairman of the Board, the Company's Senior Vice President of Human Resources, the Company's General Counsel and the Company's COO and their respective staffs in carrying out assignments in order to obtain compensation and performance data for the executive officers and the Company. In addition, the Compensation and Organization Committee's advisors may, at their discretion, seek input and feedback from management of the Company regarding their work product prior to presentation to the Compensation and Organization Committee in order to confirm information is accurate or address other similar issues. A representative from CAP is generally present at all Compensation and Organization Committee meetings, and generally attends executive sessions of the Committee. Both Gibson Dunn and CAP provide independent perspectives on any management proposals. In Fiscal 2015, the Compensation and Organization Committee reviewed the factors specified in the NYSE corporate governance standards and determined that each of CAP and Gibson Dunn was independent and their respective work did not raise any conflict of interest.

Following our 2014 Annual Meeting of Stockholders, our Board and Board committees were substantially reconstituted. After assessing its needs, the new Compensation and Organization Committee elected to engage a new independent compensation consultant. In January 2016, following an extensive search process, the Compensation and Organization Committee selected and engaged Semler Brossy Consulting Group, LLC (SBCG) as the Compensation and Organization Committee's independent compensation consultant. In selecting SBCG, the Compensation and Organization Committee considered the independence standards prescribed by the SEC and NYSE, and concluded that SBCG was independent and that its work would not raise any conflict of interest. The services SBCG provides are at the discretion of the Compensation and Organization Committee. As the Compensation and Organization Committee's new independent compensation consultant, SBCG will review the design and operation of the Company's executive compensation programs and make recommendations regarding the Company's compensation practices for Fiscal 2016. SBCG will not provide any services to the Company in Fiscal 2016 other than executive and director compensation consulting and advisory services.

Decisions regarding the compensation of the NEOs are made solely by the Compensation and Organization Committee, although it does receive input from its independent advisors and management of the Company. The Company Chairman also provides input (in his capacity as a director) with respect to the recommended compensation of the NEOs. The Compensation and Organization Committee often requests certain Company executive officers to be present at Compensation and Organization Committee meetings where executive compensation and Company and individual performance are discussed and evaluated so they can provide input into the decision-making process. Executive officers may provide insight, suggestions or recommendations regarding executive compensation during periods of general discussion, but do not have a vote in any decision-making.

## **Compensation and Benefits Structure**

### ***Pay Level Determination of the appropriate pay opportunity***

Pay levels for all associates of the Company, including the NEOs listed in the **Fiscal 2015 Summary Compensation Table** beginning on page 74 of this Proxy Statement, are based on a number of factors,

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including each individual's role and responsibilities within the Company, current compensation, experience and expertise, pay levels in the competitive market for similar positions, internal pay equity relationships including those among the executive officers and the performance of the individual, his/her area of responsibility and the Company as a whole. The Compensation and Organization Committee approves the pay levels for all the executive officers. In determining the pay levels, the Compensation and Organization Committee considers all elements of compensation and benefits.

The primary data source used in setting competitive market levels for the NEOs is information publicly disclosed by the peer retail companies listed below, based on a comparison prepared annually by the independent compensation consultant for the Compensation and Organization Committee. Published survey data from The Hay Group and Equilar is also used as a data source for select positions. The Compensation and Organization Committee does not precisely benchmark each NEO's compensation to a defined market level, but the Committee does review market information as a general reference. Actual total compensation in a given year will vary above or below the individual's target compensation levels based primarily on the attainment of overall Company financial goals and the creation of stockholder value.

The peer retail companies used by the Compensation and Organization Committee in determining the competitive market with respect to Fiscal 2015 compensation decisions are included in the table below. The peer group has changed relative to the peer group that was used in Fiscal 2014. Five companies were added to the peer group: Ascena Retail Group, Inc.; Carter's Inc.; Chico's FAS, Inc.; DSW Inc.; and Signet Jewelers Limited. Seven companies were removed: Dick's Sporting Goods, Inc.; Nine West Holdings, Inc.; Nordstrom, Inc.; Quiksilver, Inc.; Ross Stores, Inc.; Tiffany & Co.; and V.F. Corporation. We believe that the updated peer group represents a better combination of companies in terms of size, business structure and competition. At the time the peer group was determined, the Company's revenues approximated the peer group median and the Company's market capitalization was positioned between median and the 75<sup>th</sup> percentile. At the end of Fiscal 2015, the Company was positioned at the 50<sup>th</sup> percentile in terms of revenues and the 27<sup>th</sup> percentile in terms of market capitalization.

Aéropostale, Inc.	Coach, Inc.	L Brands, Inc.
American Eagle Outfitters, Inc.	DSW Inc.	PVH Corp.
ANN INC.	Express, Inc.	Ralph Lauren Corporation
Ascena Retail Group, Inc.	Foot Locker, Inc.	Signet Jewelers Limited
Carter's, Inc.	Guess?, Inc.	Urban Outfitters, Inc.
Chico's FAS, Inc.	Kate Spade & Company	Williams-Sonoma, Inc.

***Executive Agreements and Change-in-Control Benefits***

The Compensation and Organization Committee carefully considers the use and conditions of employment agreements. The Compensation and Organization Committee recognizes that, in certain circumstances, formal written employment contracts are necessary in order to successfully recruit and retain senior executive officers. Consistent with this approach, in connection with their commencement of employment with the Company, each of Ms. Crevoiserat, Ms. Horowitz, Mr. Bostrom and Mr. Angelides entered into an offer letter with the Company that provided for certain benefits upon termination of employment and/or upon a change in control of the Company. The Compensation and Organization Committee believed that it was in the best interest of the Company to enter into these offer letters as a means of securing the employment of each of these executives and to provide the executives with a degree of security given the transition occurring at the Company.

On July 7, 2015, the Company entered into executive agreements (the July 2015 Agreements) with members of the Company's Leadership Team, including each of Mr. Ramsden, Ms. Crevoiserat, Ms. Horowitz, Mr. Bostrom and Mr. Angelides. The Compensation and Organization Committee had previously approved the form of the July 2015 Agreements on April 20, 2015. The July 2015 Agreements are intended to support the Company's retention strategy, protect the Company with restrictive covenants and align the Company's practices with current practice in the Company's industry and peer group.

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In the case of a termination of employment of any of the NEOs within three months prior to or 18 months after a change of control, including resignation, retirement and termination due to death or disability, the vesting of all outstanding SARs, stock options and RSUs held by the NEO would accelerate. In addition, outstanding PSAs with respect to which more than 50% of the performance period has elapsed as of the date of the change of control would be paid, on a pro-rated basis, based on the performance achieved through a date occurring within three months of the change of control. Outstanding PSAs with respect to which less than 50% of the performance period has elapsed as of the date of the change of control would be paid, on a pro-rated basis, at the target level of achievement.

In addition, all associates who participate in the Company's stock-based compensation plans, including the NEOs, are entitled to certain benefits in the event of termination of employment due to death or disability or a change in control as set forth in the plan documents for the Company's stock-based compensation plans. The terms and conditions of these arrangements are discussed in further detail in the section captioned

**EXECUTIVE OFFICER COMPENSATION – Potential Payments Upon Termination or Change of Control** beginning on page 81 of this Proxy Statement.

***Termination of Employment of Christos E. Angelides***

On December 18, 2015, the employment of Christos E. Angelides, who had served as President of the Abercrombie & Fitch and abercrombie kids brands, was terminated effective on December 21, 2015 due to poor business performance in these brands. Under the terms of the agreement entered into by the Company and Mr. Angelides, fully executed on July 7, 2015 (the Angelides Agreement), the termination of Mr. Angelides' employment was treated as a termination by the Company without cause.

Pursuant to the terms of the Angelides Agreement, the Company paid Mr. Angelides all accrued but unpaid compensation earned by him through the effective date of the termination of his employment (the Angelides Termination Date). In addition, since Mr. Angelides executed a release of claims acceptable to the Company, Mr. Angelides received and will receive amounts specified in the offer letter accepted by Mr. Angelides on June 10, 2014 (the Angelides Offer Letter):

The Company will continue to pay Mr. Angelides' base salary in bi-weekly installments for 18 months following the Angelides Termination Date, with such payments totaling \$1,492,500.

Mr. Angelides was eligible for a pro-rated portion of his annual cash incentive opportunity under the Incentive Plan but the Compensation and Organization Committee determined to pay zero, based on the Committee's assessment of performance;

The Company will reimburse Mr. Angelides during the 18 months following the Angelides Termination Date for 100% of the monthly premium costs of continuation coverage for health insurance, with such payments totaling \$12,912.

The Company paid Mr. Angelides an additional cash amount of \$4,000,000 related to the forfeiture of his Equity Replacement Grant to which he is entitled under the Angelides Offer Letter, which amount represented payment for the 50% of the portion of Equity Replacement Grant that would have vested after year 1 of Mr. Angelides' employment with the Company.

The total of these payments is shown in the All Other Compensation column in the **Fiscal 2015 Summary Compensation Table** beginning on page 74 of this Proxy Statement.

The Angelides Agreement imposes various restrictive covenants on Mr. Angelides including non-competition, non-solicitation, non-disparagement and confidentiality covenants, which remain in effect in accordance with their terms. The non-competition covenant prohibits Mr. Angelides from engaging in certain activities with identified competitors of the Company for a period of 12 months after the termination of his employment. The non-solicitation covenant prohibits Mr. Angelides from engaging in certain solicitation activities for a period of 24 months after the termination of his employment.

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### ***Clawback Policy***

Each of the plans pursuant to which annual and long-term incentive compensation is or will be paid to the Company's executive officers (*i.e.*, the IC Program, the 2005 LTIP and the 2007 LTIP and the proposed 2016 Long-Term Incentive Plan for Associates) includes a stringent clawback provision, which allows the Company to seek repayment of any incentive amounts that were erroneously paid. Each of the plans provides that if (i) a participant (including one or more NEOs) has received payments under the plan pursuant to the achievement of a performance goal and (ii) the Compensation and Organization Committee determines that the earlier determination as to the achievement of the performance goal was based on incorrect data and in fact the performance goal had not been achieved or had been achieved to a lesser extent than originally determined and a portion of such payment would not have been paid given the correct data, then such portion of any such payment made to the participant must be repaid by such participant to the Company, without any requirement of misconduct on the part of the participant.

### ***Stock Ownership Guidelines***

As disclosed above under the caption **Executive Summary Best Practices** on page 62 of this Proxy Statement, the Board believes it is important that the executive officers and directors have, and are recognized both internally and externally as having, long-term financial interests that are aligned with those of the Company's stockholders. Accordingly, the Board adopted stock ownership guidelines for all directors and executive officers effective as of November 12, 2009, which were further amended effective as of December 15, 2015. The Company's stock ownership guidelines are posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page.

Stock ownership guidelines for the Company's executive officers are determined as a multiple of the executive officer's base salary. The guideline for the Company's Chief Executive Officer (if any) is set at five times annual base salary. The guideline for other executive officers is set at two times annual base salary. The guidelines are initially calculated using the executive officer's base salary as of the later of the date the guidelines were most recently amended (*i.e.*, December 15, 2015) or the date the person was first designated as an executive officer by the Board. The guidelines may be re-calculated, in the discretion of the Nominating and Board Governance Committee, when an individual changes pay grade (*e.g.*, from senior vice president to executive vice president) and otherwise from time to time.

Until the amount contemplated by the guidelines is achieved, the executive officer is required to retain an amount equal to 50% of the net shares received as a result of the exercise of stock options or stock-settled SARs or the vesting of restricted stock or RSUs. Net shares for purposes of the guidelines are those shares that remain after shares are sold or netted to pay (1) the exercise price of stock options or SARs (if applicable) and any withholding taxes associated with such exercise or (2) withholding or other taxes payable upon vesting of restricted stock or RSUs.

Failure to meet or, in unique circumstances, to show sustained progress toward meeting the stock ownership guidelines may be a factor considered by the Compensation and Organization Committee in determining future long-term incentive equity grants and/or appropriate levels of incentive compensation.

Executive officers who are subject to the stock ownership guidelines are to be notified each fiscal year as to the status of their compliance with the guidelines based on information available to the Company's benefits department. Executive officers may provide supplemental information regarding shares held in street name, individual brokerage accounts or owned by a spouse or other immediate family member, if such information would be relevant to the calculation of such executive officer's compliance with the stock ownership guidelines.

Directors are required to hold shares of the Company's Common Stock with an initial value equal to five times the amount of the annual cash retainer paid to directors for Board service, calculated using the annual retainer as of the later of the date the guidelines were most recently amended (*i.e.*, December 15, 2015) and the date the director is elected to the Board. It is anticipated that directors should be able to achieve the guideline within three years of joining the Board.



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For purposes of calculating compliance with the stock ownership guidelines, the following shares count toward satisfaction of the requisite thresholds:

shares owned directly by the executive officer or director or his/her immediate family members in the same household;

shares held in trust for the benefit of the executive officer or director or his/her immediate family members;

shares of restricted stock or time-vested RSUs, vested or unvested;

shares of stock-settled SARs which are vested and in-the-money; and

shares credited to bookkeeping accounts pursuant to one of the Company's deferred compensation plans.

***Compensation Considerations Related to Tax Deductibility under Internal Revenue Code Section 162(m)***

Section 162(m) of the Internal Revenue Code generally prohibits any publicly-held corporation from taking a federal income tax deduction for compensation paid in excess of \$1,000,000 in any taxable year to the Chief Executive Officer and to each of the other three most highly compensated executive officers (excluding the Chief Financial Officer) whose compensation is required to be disclosed pursuant to Item 402 of SEC Regulation S-K. Section 162(m) exempts qualified performance-based compensation, among other things, from this deductibility limitation. However, the Compensation and Organization Committee's policy is to maximize the deductibility of executive compensation, to the extent compatible with the needs of the business, as the Committee believes that compensation and benefits decisions should be primarily driven by the needs of the business, rather than by tax policy. Therefore, the Compensation and Organization Committee may make pay decisions that result in compensation expense that is not fully deductible under Section 162(m). Further, the application of Section 162(m) is complex and may change with time (with potentially retroactive effect). For Fiscal 2015, the annual cash incentive awards to NEOs were subject to a minimum operating income goal of \$100.0 million, calculated on a foreign exchange neutral basis and before total incentive compensation payments.

***Compensation Considerations Related to Accounting***

When determining amounts of long-term incentive grants to executive officers and other associates, the Compensation and Organization Committee examines the accounting cost associated with the grants. Under GAAP, grants of options, SARs, RSUs, PSAs and other share-based payments result in an accounting charge taken by the Company. The Compensation and Organization Committee considers the accounting implications of the executive compensation program, including the estimated cost for financial reporting purposes of equity compensation as well as the aggregate grant date fair value of equity compensation computed in accordance with FASB ASC Topic 718.

**REPORT OF THE COMPENSATION AND ORGANIZATION**

**COMMITTEE ON EXECUTIVE COMPENSATION**

The Compensation and Organization Committee reviewed the **COMPENSATION DISCUSSION AND ANALYSIS** and discussed it with management of the Company. Based on such review and discussion, the Compensation and Organization Committee recommended to the Board that the **COMPENSATION DISCUSSION AND ANALYSIS** be included in this Proxy Statement.

Submitted by the Compensation and Organization Committee:

*Michael E. Greenlees (Chair)*

*Terry L. Burman*

*Charles R. Perrin*

*Craig R. Stapleton*



**Table of Contents****EXECUTIVE OFFICER COMPENSATION****Summary Compensation Table**

The following table summarizes the compensation paid to, awarded to or earned by, the NEOs for Fiscal 2015, Fiscal 2014 and Fiscal 2013 in accordance with the rules promulgated by the SEC effective as of February 28, 2010.

**Fiscal 2015 Summary Compensation Table**

Name and Principal Position	Fiscal Year	Salary <sup>(1)</sup>	Bonus <sup>(2)</sup>	Stock Awards <sup>(3)</sup>	Option Awards and SARs <sup>(4)</sup>	Non-Equity Incentive Plan Compensation <sup>(5)</sup>	Change in Pension Value and Nonqualified Deferred Compensation <sup>(6)</sup>	All Other Compensation <sup>(7)</sup>	Total
<b>During Fiscal 2015</b>									
Jonathan E. Ramsden Chief Operating Officer <sup>(8)</sup>	2015	\$ 995,000		\$ 3,412,105	\$ 615,544	\$ 1,000,000	\$ 13,725	\$ 119,895	\$ 6,156,269
	2014	\$ 962,693		\$ 1,425,644	\$ 576,000		\$ 12,103	\$ 116,155	\$ 3,092,595
	2013	\$ 782,693		\$ 1,574,179	\$ 1,176,360		\$ 4,937	\$ 132,582	\$ 3,670,751
Joanne C. Crevoiserat Executive Vice President and Chief Financial Officer <sup>(9)</sup>	2015	\$ 767,019		\$ 801,400	\$ 492,432	\$ 650,000	\$ 1,300	\$ 56,064	\$ 2,768,215
	2014	\$ 522,500	\$ 450,000	\$ 2,783,208	\$ 1,229,400		\$ 159	\$ 32,958	\$ 5,018,225
Fran Horowitz President and Chief Merchandising Officer <sup>(10)</sup>	2015	\$ 1,005,096		\$ 1,491,000	\$ 615,544	\$ 1,650,000	\$ 348	\$ 47,704	\$ 4,809,692
	2014	\$ 267,885	\$ 712,500	\$ 3,214,040	\$ 248,659		\$ 7	\$ 6,187	\$ 4,449,278
Diane Chang Executive Vice President Sourcing	2015	\$ 995,000		\$ 801,400	\$ 492,432	\$ 850,000	\$ 37,917	\$ 120,931	\$ 3,297,680
	2014	\$ 995,000		\$ 1,340,180	\$ 504,000		\$ 34,446	\$ 97,562	\$ 2,971,188
	2013	\$ 995,000		\$ 1,492,709	\$ 1,117,760		\$ 14,461	\$ 158,155	\$ 3,778,085
Robert E. Bostrom Senior Vice President,  General Counsel and Corporate Secretary <sup>(11)</sup>	2015	\$ 540,000		\$ 267,146	\$ 164,144	\$ 250,000	\$ 1	\$ 28,725	\$ 1,250,016
Christos E. Angelides	2015	\$ 903,154	\$						