

WILLIAMS SONOMA INC  
Form PRE 14A  
April 05, 2017  
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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**

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 Pursuant to §240.14a-12

**Williams-Sonoma, Inc.**

(Name of Registrant as Specified In Its Charter)

**Not Applicable**

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)



2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

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3250 Van Ness Avenue

San Francisco, California 94109

[www.williams-sonomainc.com](http://www.williams-sonomainc.com)

**NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS**

MEETING DATE: May 31, 2017

TIME: 9:00 a.m. Pacific Time

PLACE: Williams-Sonoma, Inc.  
3250 Van Ness Avenue  
San Francisco, California 94109

ITEMS OF BUSINESS:

- 1) The election of our Board of Directors;
- 2) An advisory vote on executive compensation;
- 3) An advisory vote on the frequency of holding an advisory vote to approve executive compensation;
- 4) The ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending January 28, 2018;
- 5) The amendment and restatement of the company's bylaws to provide for proxy access;
- 6) Consideration of a stockholder proposal regarding proxy access, if properly presented at the meeting; and
- 7) Such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

RECORD DATE: You may vote if you were a stockholder of record as of the close of business on April 3, 2017.

MEETING ADMISSION: You are entitled to attend the Annual Meeting only if you were a stockholder of record as of the close of business on April 3, 2017. **Photo identification and proof of ownership on the record date is required for admittance.** Proof of ownership can be a brokerage or account statement indicating ownership on April 3, 2017, the Notice of Internet Availability of Proxy Materials, a proxy card, or a legal proxy or voting instruction card provided by your broker, bank or nominee.

By Order of the Board of Directors

David King

Secretary

April , 2017

**YOUR VOTE IS IMPORTANT**

Instructions for submitting your proxy are provided in the Notice of Internet Availability of Proxy Materials, the Proxy Statement and your proxy card. It is important that your shares be represented and voted at the Annual Meeting. Please submit your proxy through the Internet, by telephone, or by completing the enclosed proxy card and returning it in the enclosed envelope. You may revoke your proxy at any time prior to its exercise at the Annual Meeting.

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**3250 Van Ness Avenue**

**San Francisco, California 94109**

**[www.williams-sonomainc.com](http://www.williams-sonomainc.com)**

**PROXY STATEMENT FOR THE 2017 ANNUAL MEETING OF STOCKHOLDERS**

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**GENERAL INFORMATION**

Our Board of Directors is soliciting your proxy to vote your shares at our 2017 Annual Meeting of Stockholders, to be held on Wednesday, May 31, 2017 at 9:00 a.m. Pacific Time, and for any adjournment or postponement of the meeting. Our Annual Meeting will be held at our corporate headquarters located at 3250 Van Ness Avenue, San Francisco, California 94109.

Our Annual Report to Stockholders for the fiscal year ended January 29, 2017, or fiscal 2016, including our financial statements for fiscal 2016, is also included with this Proxy Statement and posted on our website at [ir.williams-sonomainc.com/financial-reports-page](http://ir.williams-sonomainc.com/financial-reports-page). The Annual Report, Notice of Internet Availability of Proxy Materials, and the Proxy Statement were first made available to stockholders and posted on our website on or about April 10, 2017.

**What is the purpose of the Annual Meeting?**

Stockholders will be asked to vote on the following matters:

- 1) The election of our Board of Directors;
- 2) An advisory vote to approve executive compensation;
- 3) An advisory vote on the frequency of holding an advisory vote to approve executive compensation;
- 4) The ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending January 28, 2018;

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- 5) The amendment and restatement of the company's bylaws to provide for proxy access;
- 6) Consideration of a stockholder proposal regarding proxy access, if properly presented at the meeting; and
- 7) Such other business as may properly come before the meeting or any adjournment or postponement of the meeting, including stockholder proposals. At this time, we do not know of any other matters to be brought before the Annual Meeting.

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

In accordance with rules and regulations adopted by the U.S. Securities and Exchange Commission, or the SEC, instead of mailing a printed copy of our proxy materials to all stockholders entitled to vote at the Annual Meeting, we are furnishing the proxy materials to certain of our stockholders over the Internet. If you received a Notice of Internet Availability of Proxy Materials, or the Notice, by mail, you will not receive a printed copy of the proxy materials. Instead, the Notice will instruct you as to how you may access and review the proxy materials and submit your vote on the Internet or by telephone. If you received a Notice by mail and would like to receive a printed copy of the proxy materials, please follow the instructions for requesting such materials included in the Notice.

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On the date of mailing of the Notice, all stockholders will have the ability to access all of our proxy materials on a website referred to in the Notice. These proxy materials will be available free of charge.

### **Can I receive future proxy materials by e-mail?**

Yes. You may choose to receive future proxy materials by e-mail by following the instructions provided on the website referred to in the Notice. Choosing to receive your future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the impact of our Annual Meeting on the environment.

If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

### **Who may vote?**

Only stockholders of record at the close of business on April 3, 2017, the record date, are entitled to receive notice of and to vote at the Annual Meeting. Each holder of our common stock will be entitled to one vote for each share of our common stock owned as of the record date. As of the record date, there were 86,805,366 shares of our common stock outstanding and entitled to vote, and there were 354 stockholders of record, which number does not include beneficial owners of shares held in the name of a bank or brokerage firm. We do not have any outstanding shares of preferred stock.

### **How do I vote?**

You may vote in person at the Annual Meeting, electronically by submitting your proxy through the Internet, by telephone or by returning a hard copy of the proxy card before the Annual Meeting. Proxies properly executed, returned to us on a timely basis and not revoked will be voted in accordance with the instructions contained in the proxy. If any matter not described in this Proxy Statement is properly presented for action at the meeting, the persons named in the enclosed proxy will have discretionary authority to vote according to their best judgment.

### **How do I vote electronically or by telephone?**

You may vote by submitting your proxy through the Internet or by telephone. The Internet and telephone voting procedures are designed to authenticate your identity as a Williams-Sonoma, Inc. stockholder, to allow you to vote your shares and to confirm that your instructions have been properly recorded. Specific instructions to be followed for voting on the Internet or by telephone are provided below in this Proxy Statement, in the Notice and on the proxy card.

*Shares Registered Directly in the Name of the Stockholder*

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If your shares are registered directly in your name in our stock records maintained by our transfer agent, Wells Fargo Shareowner Services, then you may vote your shares:

on the Internet at [www.proxypush.com/wsm](http://www.proxypush.com/wsm); or

by calling Wells Fargo Shareowner Services from within the United States at 866-883-3382.

Proxies for shares registered directly in your name that are submitted on the Internet or by telephone must be received before noon Pacific Time on Wednesday, May 30, 2017.

### *Shares Registered in the Name of a Brokerage Firm or Bank*

If your shares are held in an account at a brokerage firm or bank, you should follow the voting instructions on the Notice or the proxy card provided by your brokerage firm or bank.

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### **Can I vote my shares by filling out and returning the Notice?**

No. The Notice identifies the items to be voted on at the Annual Meeting, but you cannot vote by marking the Notice and returning it. The Notice provides instructions on how to vote on the Internet or by telephone and how to request paper copies of the proxy materials.

### **What if I return my proxy card directly to the company, but do not provide voting instructions?**

If a signed proxy card is returned to us without any indication of how your shares should be voted, votes will be cast **FOR** the election of the directors named in this Proxy Statement, **FOR** the approval, on an advisory basis, of the compensation of our Named Executive Officers, **FOR** the option of once every one year as the frequency with which stockholders are provided an advisory vote to approve executive compensation, **FOR** the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending January 28, 2018, **FOR** the amendment and restatement of our bylaws to provide for proxy access, and **AGAINST** the stockholder proposal.

### **May I attend the Annual Meeting?**

Only stockholders of record at the close of business on April 3, 2017, the record date, are entitled to attend the Annual Meeting. Stockholders planning to attend the Annual Meeting must present photo identification and proof of ownership on the record date in order to be admitted. Proof of ownership can be a brokerage or account statement indicating ownership on April 3, 2017, the Notice of Internet Availability of Proxy Materials, a proxy card, or a legal proxy or voting instruction card provided by your broker, bank or nominee. We reserve the right to deny admittance to anyone who cannot adequately show proof of share ownership as of the record date.

### **What are the directions to attend the Annual Meeting?**

The following are directions to attend the Annual Meeting from various locations around the San Francisco Bay Area:

#### *From the South Bay*

Take US-101 Northbound toward San Francisco

Take the US-101 exit on the left

Keep left at the fork to continue on US-101 North

Take exit 434A to merge onto Mission Street/US-101

Turn left at US-101/South Van Ness Avenue

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Continue North on Van Ness Avenue

Destination will be on the right

*From the East Bay*

Take I-80 Westbound across the Bay Bridge toward San Francisco

Take exit 1B to merge onto US-101 North

Take exit 434A to merge onto Mission Street/US-101

Turn left at US-101/South Van Ness Avenue

Continue North on Van Ness Avenue

Destination will be on the right

*From the North Bay*

Take US-101 Southbound across the Golden Gate Bridge toward San Francisco

Exit onto Richardson Avenue/US-101 toward Lombard Street

Continue to follow US-101

Turn left at US-101/Van Ness Avenue

Continue North on Van Ness Avenue

Destination will be on the right

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### **How many shares must be present to transact business at the Annual Meeting?**

Stockholders holding a majority of our outstanding shares as of the record date must be present in person or by proxy at the Annual Meeting so that we may transact business. This is known as a quorum. Shares that are voted in person, on the Internet, by telephone or by signed proxy card, and abstentions and broker non-votes, will be included in the calculation of the number of shares considered to be present for purposes of determining whether there is a quorum at the Annual Meeting.

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

The term broker non-vote refers to shares that are held of record by a broker for the benefit of the broker's clients but that are not voted at the Annual Meeting by the broker on certain non-routine matters set forth in New York Stock Exchange, or NYSE, Rule 402.08(B) because the broker did not receive instructions from the broker's clients on how to vote the shares and, therefore, was prohibited from voting the shares.

### **How many votes are needed to elect directors?**

Pursuant to a majority voting bylaw adopted by our Board of Directors and further described in our Amended and Restated Bylaws, the election of each of the nine director nominees requires the affirmative vote of a majority of the votes cast at the Annual Meeting with respect to each nominee. The number of shares voted for a director nominee must exceed the number of votes cast against that nominee for the nominee to be elected as a director to serve until the next annual meeting or until his or her successor has been duly elected and qualified. Your proxy will be voted in accordance with your instructions. If no instructions are given, the proxy holders will vote FOR each of the director nominees. If you hold your shares through a brokerage, bank or other nominee, or in street name, it is important to cast your vote if you want it to count in the election of directors. If you hold your shares in street name and you do not instruct your bank or broker how to vote your shares in the election of directors, no votes will be cast on your behalf. Broker non-votes and abstentions will have no effect on the outcome of the election.

Pursuant to the resignation policy adopted by our Board of Directors and further described in our Corporate Governance Guidelines, any nominee for director who is not elected shall promptly tender his or her resignation to our Board of Directors following certification of the stockholder vote. The Nominations and Corporate Governance Committee will consider the resignation offer and recommend to our Board of Directors the action to be taken with respect to the offered resignation. In determining its recommendation, the Nominations and Corporate Governance Committee shall consider all factors it deems relevant. Our Board of Directors will act on the Nominations and Corporate Governance Committee's recommendation within 90 days following certification of the stockholder vote and will publicly disclose its decision with respect to the director's resignation offer (and the reasons for rejecting the resignation offer, if applicable).

Any director who tenders his or her resignation pursuant to the resignation policy shall not participate in the Nominations and Corporate Governance Committee's recommendation or Board of Directors action regarding whether to accept the resignation offer. If each member of the Nominations and Corporate Governance Committee is required to tender his or her resignation pursuant to the resignation policy in the same election, then the independent directors of our Board of Directors who are not required to tender a resignation pursuant to the resignation policy shall consider the resignation offers and make a recommendation to our Board of Directors.

To the extent that one or more directors' resignations are accepted by our Board of Directors, our Board of Directors in its discretion may determine either to fill such vacancy or vacancies or to reduce the size of the Board within the authorized range.



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### **How many votes are needed to approve Proposals 2, 3, 4, 5 and 6?**

Proposals 2, 4, 5 and 6 require the affirmative vote of holders of a majority of voting power entitled to vote thereon, present in person or represented by proxy, at the Annual Meeting. Proxy cards marked `abstain` will have the effect of a `NO` vote and broker non-votes will have no effect on the outcome of the vote.

The outcome of Proposal 2, the advisory vote on the approval of the compensation of our Named Executive Officers, will not be binding on us or the Board. However, the Board and the Compensation Committee will review the voting results and take them into consideration when making future decisions regarding executive compensation.

For Proposal 3, the frequency of the advisory vote to approve compensation of our named executive officers `every year, every two years or every three years` receiving the highest number of votes at the Annual Meeting will be the frequency recommended by the stockholders. Proxy cards marked `abstain` and broker non-votes will have no effect on the outcome of the vote. Because your vote is advisory, it will not be binding on us or the Board. However, the Board will review the voting results and take them into consideration when making future decisions regarding the frequency of the advisory vote on executive compensation.

### **Are there any stockholder proposals this year?**

Yes. We received notice of a stockholder proposal requesting inclusion in our Proxy Statement for the Annual Meeting. Please review Proposal 6 for further information about this proposal.

We have not received notice of any stockholder proposals to be raised at the Annual Meeting that did not request inclusion in our Proxy Statement.

### **What if I want to change my vote(s)?**

You may revoke your proxy prior to the close of voting at the Annual Meeting by any of the following methods:

sending written notice of revocation to our Secretary;

sending a signed proxy card bearing a later date;

voting by telephone or on the Internet at a later date; or

attending the Annual Meeting, revoking your proxy and voting in person.

**What is householding?**

Householding is a cost-cutting procedure used by us and approved by the SEC to limit duplicate copies of our proxy materials being printed and delivered to stockholders sharing a household. Under the householding procedure, we send only one Notice or Annual Report and Proxy Statement to stockholders of record who share the same address and last name, unless one of those stockholders notifies us that the stockholder would like a separate Notice or Annual Report and Proxy Statement. A separate proxy card is included in the materials for each stockholder of record. A stockholder may notify us that the stockholder would like a separate Notice or Annual Report and Proxy Statement by phone at 415-421-7900 or by mail at the following mailing address: Williams-Sonoma, Inc., Attention: Annual Report Administrator, 3250 Van Ness Avenue, San Francisco, California 94109. If we receive such notification that the stockholder wishes to receive a separate Notice or Annual Report and Proxy Statement, we will promptly deliver such Notice or Annual Report and Proxy Statement. If you wish to update your participation in householding, you may contact your broker or our mailing agent, Broadridge Investor Communications Solutions, at 800-542-1061.

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**What if I received more than one proxy card?**

If you received more than one proxy card, it means that you have multiple accounts with brokers and/or our transfer agent. You must complete each proxy card in order to ensure that all shares beneficially held by you are represented at the meeting. If you are interested in consolidating your accounts, you may contact your broker or our transfer agent, Wells Fargo Shareowner Services, at 800-468-9716.

**Who pays the expenses incurred in connection with the solicitation of proxies?**

We pay all of the expenses incurred in preparing, assembling and mailing the Notice or this Proxy Statement and the materials enclosed. We have retained Skinner & Company and MacKenzie Partners, Inc. to assist in the solicitation of proxies at an estimated cost to us of \$5,000 and \$12,000, respectively. Some of our officers or employees may solicit proxies personally or by telephone or other means. None of those officers or employees will receive special compensation for such services.

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### **CORPORATE GOVERNANCE**

#### **Director Independence**

Our Board of Directors has determined that Adrian D.P. Bellamy, Rose Marie Bravo, Anthony A. Greener, Grace Puma, Christiana Smith Shi, Sabrina Simmons, Jerry D. Stritzke and Frits van Paasschen meet the independence requirements of our Policy Regarding Director Independence Determinations, which is part of our Corporate Governance Guidelines. Accordingly, the Board has determined that none of these director nominees has a material relationship with us and that each of these nominees is independent within the meaning of the NYSE and SEC director independence standards, as currently in effect. Further, each member of our Board committees satisfies the independence requirements of the NYSE and SEC, and any heightened independence standards applicable to each committee on which they serve. The Board's independence determination was based on information provided by our director nominees and discussions among our officers and directors.

#### **Board Leadership Structure**

We currently separate the positions of Chief Executive Officer and Chairman of the Board. Adrian D.P. Bellamy, an independent director, has served as our Chairman of the Board since May 2010. Our Corporate Governance Guidelines provide that in the event that the Chairman of the Board is not an independent director, the Board shall elect a Lead Independent Director. As Mr. Bellamy is an independent director, we have not appointed a separate Lead Independent Director.

Separating the positions of Chief Executive Officer and Chairman of the Board maximizes the Board's independence and aligns our leadership structure with current trends in corporate governance best practices. Our Chief Executive Officer is responsible for day-to-day leadership and for setting the strategic direction of the company, while the Chairman of the Board provides independent oversight and advice to our management team, and presides over Board meetings.

#### **Board Meetings and Executive Sessions**

During fiscal 2016, our Board held a total of seven meetings. Each director who was a member of our Board during fiscal 2016 attended at least 75% of the aggregate of (i) the total number of meetings of the Board held during the period for which such director served as a director and (ii) the total number of meetings held by all committees of the Board on which such director served during the periods that such director served, except for Lorraine Twohill.

It is the Board's policy to have a separate meeting time for independent directors, typically during the regularly scheduled Board meetings. During fiscal 2016, executive sessions were led by our Chairman of the Board, Mr. Bellamy.

#### **Attendance of Directors at Annual Meeting of Stockholders**

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It is our policy that directors who are nominated for election at our Annual Meeting should attend the Annual Meeting. All but one director who was nominated for election at our 2016 Annual Meeting attended the meeting.

### **Board Committees**

Our Board has three standing committees: the Audit and Finance Committee, the Compensation Committee and the Nominations and Corporate Governance Committee. Each committee operates under a written charter adopted by the Board. The committee charters are each available on the company's website at [ir.williams-sonomai.com/governance](http://ir.williams-sonomai.com/governance) and are also available in print to any stockholder upon request.

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The following table sets forth the members of each committee as of April 3, 2017, the functions of each committee, and the number of meetings held during fiscal 2016.

<b>Committee and Members</b>	<b>Functions of Committee</b>	<b>Number of Meetings in Fiscal 2016</b>
<b>Audit and Finance:</b> Adrian T. Dillon, Chair Ted W. Hall Sabrina Simmons	<p>Assists our Board in its oversight of the integrity of our financial statements; the qualifications, independence, retention and compensation of our independent registered public accounting firm; the performance of our internal audit function; and our compliance with legal and regulatory requirements;</p> <p>Prepares the report that the SEC rules require to be included in our annual proxy statement;</p> <p>Reviews the financial impact of selected strategic initiatives, and reviews and recommends for Board approval selected financing, dividend and stock repurchase policies and plans; and</p> <p>Assists the Board with its oversight of our major financial risk exposures, and reviews with management such exposures and the steps management has taken to monitor and control such exposures.</p>	9
<b>Compensation:</b> Adrian D.P. Bellamy, Chair Rose Marie Bravo Anthony A. Greener Lorraine Twohill	<p>Reviews and determines our executive officers' compensation;</p> <p>Reviews and determines our general compensation goals and guidelines for our employees;</p> <p>Administers certain of our compensation plans and provides assistance and recommendations with respect to other compensation plans;</p> <p>Reviews the compensation discussion and analysis report that the SEC rules require to be included in our annual proxy statement;</p> <p>Assists the Board with its oversight of risk arising from our compensation policies and programs, and assesses on an annual basis potential material risk from our compensation policies and programs; and</p> <p>Appoints, sets the compensation of, and determines independence of any compensation consultant or other advisor retained.</p>	6

**Nominations and Corporate**

Reviews and recommends corporate governance policies;

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**Governance:**

Lorraine Twohill, Chair

Adrian D.P. Bellamy

Anthony A. Greener

Identifies and makes recommendations for nominees for  
director and considers criteria for selecting director candidates;

Considers stockholders' director nominations and proposals;

Reviews and determines our compensation policy for our  
non-employee directors;

Considers resignation offers of director nominees and  
recommends to the Board the action to be taken with respect to each such  
offered resignation; and

Oversees the evaluation of our Board and our senior  
management team.

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### ***Audit and Finance Committee***

The Board has determined that each member of the Audit and Finance Committee is independent under the NYSE rules, as currently in effect, and Rule 10A-3 of the Securities Exchange Act of 1934, as amended. The Board has determined that Ms. Simmons is a financial expert under the SEC rules. The Board has also determined that each Audit and Finance Committee member is financially literate, as described in the NYSE rules.

### ***Compensation Committee***

The Board has determined that each member of the Compensation Committee is independent under the NYSE rules, as currently in effect, is an outside director as such term is defined with respect to Section 162(m) of the Internal Revenue Code and is a non-employee director under Section 16(b) of the Securities Exchange Act of 1934. None of the Compensation Committee members have ever served as an officer of the Company.

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

Mr. Bellamy, Ms. Bravo, Mr. Greener and Ms. Twohill served as members of the Compensation Committee during fiscal 2016. During fiscal 2016, none of our executive officers served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board or Compensation Committee.

### ***Nominations and Corporate Governance Committee***

The Board has determined that each member of the Nominations and Corporate Governance Committee is independent under the NYSE rules currently in effect. Each member of the Nominations and Corporate Governance Committee is a non-employee director.

During fiscal 2016, in furtherance of the Nominations and Corporate Governance Committee's functions, the Committee took the following actions, among other things:

Evaluated the composition of the Board, and considered desired skill sets, qualities and experience for potential future Board members, as well as potential candidates;

Evaluated the composition of the committees of the Board;

Considered and recommended to the Board the submission to stockholders of the director nominees described in the company's 2016 Proxy Statement; and

Managed the annual Board self-assessment process.

*Director Nominations*

The Nomination and Corporate Governance Committee's criteria and process for evaluating and identifying the candidates that it selects, or recommends to the Board for selection, as director nominees are as follows:

The Nominations and Corporate Governance Committee periodically reviews the current composition and size of the Board;

The Nominations and Corporate Governance Committee manages the annual self-assessment of the Board as a whole and considers the performance and qualifications of individual members of the Board when recommending individuals for election or re-election to the Board;

The Nominations and Corporate Governance Committee reviews the qualifications of any candidates who have been properly recommended by stockholders, as well as those candidates who have been identified by management, individual members of the Board or, if it deems appropriate, a search firm. Such review may, in the Nominations and Corporate Governance Committee's discretion, include a review solely of

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information provided to it or also may include discussions with persons familiar with the candidate, an interview with the candidate or other actions that the Nominations and Corporate Governance Committee deems appropriate;

In evaluating the qualifications of candidates for the Board, the Nominations and Corporate Governance Committee considers many factors, including issues of character, judgment, independence, financial expertise, industry experience, range of experience, and other commitments. The Nominations and Corporate Governance Committee values diversity, but does not assign any particular weight or priority to any particular factor. The Nominations and Corporate Governance Committee considers each individual candidate in the context of the current perceived needs of the Board as a whole. While the Nominations and Corporate Governance Committee has not established specific minimum qualifications for director candidates, it believes that candidates and nominees must be suitable for a Board that is composed of directors (i) a majority of whom are independent; (ii) who are of high integrity; (iii) who have qualifications that will increase the overall effectiveness of the Board; and (iv) who meet the requirements of all applicable rules, such as financial literacy or financial expertise with respect to Audit and Finance Committee members;

In evaluating and identifying candidates, the Nominations and Corporate Governance Committee has the sole authority to retain and terminate any third party search firm that is used to identify director candidates and the sole authority to approve the fees and retention terms of any search firm;

After such review and consideration, the Nominations and Corporate Governance Committee recommends to the Board the slate of director nominees; and

The Nominations and Corporate Governance Committee endeavors to notify, or cause to be notified, all director candidates of the decision as to whether to nominate individuals for election to the Board.

There are no differences in the manner in which the Nominations and Corporate Governance Committee evaluates nominees for director based on whether the nominee is recommended by a stockholder, management or a search firm.

### *Stockholder Recommendations*

The Nominations and Corporate Governance Committee will consider recommendations from stockholders regarding possible director candidates for election at next year's Annual Meeting. Pursuant to our Stockholder Recommendations Policy, the Nominations and Corporate Governance Committee considers recommendations for candidates to the Board from stockholders holding no fewer than 500 shares of the company's common stock continuously for at least six months prior to the date of the submission of the recommendation.

A stockholder that desires to recommend a candidate for election to the Board shall direct the recommendation in writing to Williams-Sonoma, Inc., Attention: Corporate Secretary, 3250 Van Ness Avenue, San Francisco, California 94109. The recommendation must include: (i) the candidate's name, home and business contact information; (ii) detailed biographical data and qualifications of the candidate; (iii) information regarding any relationships between the candidate and the company within the last three years; (iv) evidence of the recommending person's ownership of company common stock; (v) a statement from the recommending stockholder in support of the candidate; and (vi) a written indication by the candidate of his or her willingness to serve if elected. A stockholder that desires to recommend a person directly for election to the Board at the company's Annual Meeting must also meet the deadlines and other requirements set forth in Rule 14a-8 of the Securities Exchange Act of 1934 and the company's Restated Bylaws, each of which are described in the Stockholder Proposals section of this Proxy Statement.

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Director nominees Grace Puma and Frits van Paasschen were recommended for consideration by the company's human resources department, which led a search for qualified director candidates. Director nominee Christiana Smith Shi was recommended for consideration by Adrian D.P. Bellamy, the Chairman of the Board, and Ted W. Hall, a member of the Board of Directors. Each director nominated in this Proxy Statement was

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recommended for election to the Board by the Nominations and Corporate Governance Committee. The Board did not receive any director nominee recommendation from any stockholder in connection with this Proxy Statement.

## **Risk Oversight**

### ***Board Oversight of Risk***

The Board actively manages the company's risk oversight process and receives regular reports from management on areas of material risk to the company, including operational, financial, legal and regulatory risks. Our Board committees assist the Board in fulfilling its oversight responsibilities in certain areas of risk. The Audit and Finance Committee assists the Board with its oversight of the company's major financial risk exposures. Additionally, in accordance with NYSE requirements, the Audit and Finance Committee reviews with management the company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the company's risk assessment and risk management policies. The Compensation Committee assists the Board with its oversight of risks arising from our compensation policies and programs and assesses on an annual basis potential material risk to the company from its compensation policies and programs, including incentive and commission plans at all levels. The Nominations and Corporate Governance Committee assists the Board with its oversight of risks associated with Board organization, Board independence, succession planning, and corporate governance. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee reports about such risks.

### ***Evaluation of Risks Relating to Compensation Programs***

Our Compensation Committee is responsible for monitoring our compensation policies and programs relative to all our employees, including non-executive officers, for potential risks that are reasonably likely to have a material adverse effect on our company. In performing its duties, the Compensation Committee regularly reviews and discusses potential risks that could arise from our employee compensation plans and programs with our management and the Compensation Committee's independent compensation consultant. The Compensation Committee is responsible for reporting to the Board any material risks associated with our compensation plans and programs, including recommended actions to mitigate such risks.

For fiscal 2016, the Compensation Committee retained an independent consultant, Frederic W. Cook & Co., or Cook & Co., to identify and assess the risks inherent in the company's compensation programs and policies. Accordingly, Cook & Co. evaluated the company's executive and non-executive compensation programs for such risk and the mechanisms in our programs designed to mitigate these risks. Among other things, Cook & Co. reviewed our pay philosophy, forms of incentives, performance metrics, balance of cash and equity compensation, balance of long-term and short-term incentive periods, compensation governance practices, and equity grant administration practices. Based on the assessment, Cook & Co. concluded that our compensation programs and policies do not create risks that are reasonably likely to have a material adverse effect on our company.

## **Director Compensation**

For fiscal 2016, non-employee directors received cash compensation and equity grants for their service on our Board, for their service as Chair of the Board or Chair of a Board committee, and for their service on any Board committees of which they are a member, as set forth in the table

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below. During fiscal 2016, the equity grants were made in the form of restricted stock units. These restricted stock units vest on the earlier of one year from the date of grant or the day before the next regularly scheduled annual meeting. The number of restricted stock units granted was determined by dividing the total monetary value of each award, equal to the equity grant as identified in the following table, by the closing price of our common stock on the trading day prior to the grant date, rounding down to the nearest whole share. Directors also received dividend equivalent payments with respect to outstanding restricted stock unit awards.

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	<u>Value of Annual Compensation</u>
Annual Cash Compensation for Board Service(1)	\$ 66,000
Annual Equity Grant for Board Service(2)(3)	\$ 154,000
Annual Cash Compensation to Chairman of the Board(1)	\$ 200,000
Annual Equity Grant to Chairman of the Board(2)	\$ 200,000
Annual Cash Compensation to Chair of the Audit and Finance Committee(1)	\$ 25,500
Annual Equity Grant to Chair of the Audit and Finance Committee(2)	\$ 25,500
Annual Cash Compensation to Chair of the Compensation Committee(1)	\$ 12,500
Annual Equity Grant to Chair of the Compensation Committee(2)	\$ 12,500
Annual Cash Compensation to Chair of the Nominations and Corporate Governance Committee(1)	\$ 8,250
Annual Equity Grant to Chair of the Nominations and Corporate Governance Committee(2)	\$ 8,250

- (1) The annual cash compensation is paid in quarterly installments so long as the non-employee director continues to serve on the Board at the time of such payments.
- (2) The annual equity grant is awarded on the date of the Annual Meeting.
- (3) Directors who are appointed to the Board after the Company's last Annual Meeting receive an equity grant on the appointment date on a prorated basis based on the number of days that the director is scheduled to serve between the appointment date to the Board and the date one year from the prior year's Annual Meeting.

In addition to the compensation described above, non-employee directors received cash attendance compensation in the amount of \$2,000 for each committee meeting they attended for committees of which they are a member. Directors also received reimbursement for travel expenses related to attending our Board, committee or business meetings. Non-employee directors and their spouses receive discounts on our merchandise.

***Non-Employee Director Summary Compensation Table***

The following table shows the compensation provided to our non-employee directors during fiscal 2016.

	<b>Fees Earned or Paid in</b>	<b>Stock</b>	<b>All Other Compensation</b>	<b>Total (\$)</b>
	<b>Cash (\$)</b>	<b>Awards \$(1)</b>	<b>\$(2)(3)</b>	
Adrian D.P. Bellamy	\$ 294,500	\$ 366,469(4)	\$ 47,970	\$ 708,939
Rose Marie Bravo	\$ 76,000	\$ 153,976(5)	\$ 236	\$ 230,212
Adrian T. Dillon	\$ 109,500	\$ 179,488(6)	\$ 4,817	\$ 293,805
Anthony A. Greener	\$ 82,000	\$ 153,976(5)	\$ 7,114	\$ 243,090
Ted W. Hall	\$ 84,000	\$ 153,976(5)	\$ 1,260	\$ 239,236
Sabrina Simmons	\$ 84,000	\$ 153,976(5)	\$ 1,022	\$ 238,998
Jerry D. Stritzke	\$ 40,253	\$ 182,195(7)	\$ 1,285	\$ 223,733
Lorraine Twohill	\$ 80,250	\$ 162,214(8)	\$ 168	\$ 242,632

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- (1) Represents the grant date fair value of the restricted stock unit awards granted in fiscal 2016 as calculated in accordance with FASB ASC Topic 718, by multiplying the closing price of our common stock on the trading day prior to the grant date by the number of restricted stock units granted. The number of restricted stock units granted is determined by dividing the total monetary value of each annual equity grant as identified in the preceding table, by the closing price of our common stock on the trading day prior to the grant date, rounding down to the nearest whole share. As of January 29, 2017, the non-employee directors held the following numbers of unvested restricted stock units: Adrian D.P. Bellamy: 6,895; Rose Marie Bravo: 2,897; Adrian T. Dillon: 3,377; Anthony A. Greener: 2,897; Ted W. Hall: 2,897; Sabrina Simmons: 2,897; Jerry D. Stritzke: 2,897; and Lorraine Twohill: 3,052.

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- (2) Represents the taxable value of discount on merchandise.
- (3) Excludes dividend equivalent payments, which were previously factored into the grant date fair value of disclosed equity awards.
- (4) Represents the grant date fair value associated with a restricted stock unit award of 6,895 shares of common stock made on June 2, 2016, with a fair value as of the grant date of \$53.15 per share for an aggregate grant date fair value of \$366,469.
- (5) Represents the grant date fair value associated with a restricted stock unit award of 2,897 shares of common stock made on June 2, 2016, with a fair value as of the grant date of \$53.15 per share for an aggregate grant date fair value of \$153,976.
- (6) Represents the grant date fair value associated with a restricted stock unit award of 3,377 shares of common stock made on June 2, 2016, with a fair value as of the grant date of \$53.15 per share for an aggregate grant date fair value of \$179,488.
- (7) Represents the grant date fair value associated with a restricted stock unit award of 507 shares of common stock made on March 23, 2016, with a fair value as of the grant date of \$55.66 per share and 2,897 shares of common stock made on June 2, 2016, with a fair value as of the grant date of \$53.15 per share for an aggregate grant date fair value of \$182,195.
- (8) Represents the grant date fair value associated with a restricted stock unit award of 3,052 shares of common stock made on June 2, 2016, with a fair value as of the grant date of \$53.15 per share for an aggregate grant date fair value of \$162,214.

Patrick J. Connolly, who was one of our directors and our Executive Vice President, Chief Strategy and Business Development Officer until his retirement on July 31, 2016, is not included in the table above as he was an executive officer, other than a named executive officer, and did not receive any additional compensation for his service as a director.

## **Director Stock Ownership Policy**

The Board has approved a stock ownership policy. Each non-employee director must hold at least \$400,000 worth of shares of company stock by the fifth anniversary of such director's initial election to the Board. If a director holds at least \$400,000 worth of shares of company stock during the required time period, but the value of such director's shares decreases below \$400,000 due to a drop in the company's stock price, the director shall be deemed to have complied with this policy so long as the director does not sell shares of company stock. If a director has not complied with this policy during the required time period, then the director may not sell any shares until such director holds at least \$400,000 worth of shares of company stock. All of our directors meet the ownership requirements or have been on the board for less than five years.

## **Corporate Governance Guidelines and Code of Business Conduct and Ethics**

Our Corporate Governance Guidelines and our Code of Business Conduct and Ethics, both of which apply to all of our employees, including our Chief Executive Officer, Chief Financial Officer and Controller, are available on our website at [ir.williams-sonomainc.com/governance](http://ir.williams-sonomainc.com/governance). Copies of our Corporate Governance Guidelines and our Code of Business Conduct and Ethics are also available upon written request and without charge to any stockholder by writing to: Williams-Sonoma, Inc., Attention: Corporate Secretary, 3250 Van Ness Avenue, San Francisco, California 94109. To date, there have been no waivers that apply to our Chief Executive Officer, Chief Financial Officer, Controller or persons performing similar functions under our Code of Business Conduct and Ethics. We intend to disclose any amendment to, or waivers of, the

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provisions of our Code of Business Conduct and Ethics that affect our Chief Executive Officer, Chief Financial Officer, Controller or persons performing similar functions by posting such information on our website at [ir.williams-sonomainc.com/governance](http://ir.williams-sonomainc.com/governance).

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**Communicating with Members of the Board**

Stockholders and all other interested parties may send written communications to the Board or to any of our directors individually, including non-management directors and the Chairman of the Board, at the following address: Williams-Sonoma, Inc., Attention: Corporate Secretary, 3250 Van Ness Avenue, San Francisco, California 94109. All communications will be compiled by our Corporate Secretary and submitted to the Board or an individual director, as appropriate, on a periodic basis.

**Table of Contents****PROPOSAL 1****ELECTION OF DIRECTORS**

Upon the recommendation of our Nominations and Corporate Governance Committee, our Board has nominated the persons set forth in the tables below. Our Board has no reason to believe that any of the nominees will be unwilling or unable to serve as a director. However, should a nominee become unwilling or unable to serve prior to the Annual Meeting, our Nominations and Corporate Governance Committee would recommend another person or persons to be nominated by our Board to stand for election, and your proxies would be voted for the person or persons selected by the committee and nominated by our Board.

There are no family or special relationships between any director nominee or executive officer and any other director nominee or executive officer. There are no arrangements or understandings between any director nominee or executive officer and any other person pursuant to which he or she has been or will be selected as our director and/or executive officer.

**Information Regarding the Director Nominees**

The following table sets forth information, as of April 3, 2017, with respect to each director nominee. We have also included information about each nominee's specific experience, qualifications, attributes and skills that led the Board to conclude that he or she should serve as a director of the company, in light of our business and structure, at the time we file this Proxy Statement. Each director nominee furnished the biographical information set forth in the table.

**Executive Officer:**

Nominee	Director Since	Position with the Company and Business Experience, including Directorships Held During Past Five Years	Specific Experience, Qualifications, Attributes and Skills
Laura J. Alber	2010	Chief Executive Officer since	Extensive retail industry,
Age 48		2010 President since 2006	merchandising and operational experience, including 22 years of experience with the company
		2002 – 2006 President, Pottery Barn Brands, Executive Vice President, Pottery	Implemented successful growth strategies, including Pottery Barn Kids, Pottery Barn Bed + Bath and PBteen, as well as the company's global expansion

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Barn, 2000 - 2002

Senior Vice President, Pottery

Barn Catalog and Pottery Barn

Kids Retail, 1999 - 2000

Director, Fitbit, Inc.

(fitness trackers), since 2016

Director, RealD Inc.

(3D technologies), 2013 - 2015

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**Table of Contents****Independent Directors:**

Nominee	Director Since	Position with the Company and Business Experience, including Directorships Held During Past Five Years	Specific Experience, Qualifications, Attributes and Skills
Adrian D.P. Bellamy  Age 75	1997	Chairman of the Board  Chair of the Compensation Committee and member of the Nominations and Corporate Governance Committee  Chairman and Director, Reckitt Benckiser plc (household, personal, health and food products) since 2003  Chairman, Total Wine and More (liquor retailer) since 2011  Chairman and Director, Action Holding B.V. (non-food discount retailer) since 2013  Director, The Gap, Inc. (clothing), 1995 2014  Chairman and Director, The Body Shop International plc (personal care products), 2002 2008	Extensive experience as both an executive and director in the retail industry, including 12 years as Chairman and Chief Executive Officer of DFS Group Ltd.  Broad perspective of the retail industry from current and past positions on the Boards of other retailers including The Gap, The Body Shop and Gucci
Rose Marie Bravo CBE  Age 66	2011	Member of the Compensation Committee  Vice Chairman, Burberry Group plc (apparel and accessories), 2006 2007  Chief Executive Officer, Burberry Group plc, 1997 2006  President, Saks Fifth Avenue	Extensive knowledge of the retail industry, with over 30 years of experience as an executive and over 18 years of experience as a public company director  Strong understanding of global brand management, merchandising, marketing and product development

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(specialty department store), 1992 - 1997

Chairman and Chief Executive

Officer of I. Magnin, a former division of R.H.  
Macy & Co. (specialty department store), 1987  
1992

Director, Tiffany & Co. (jewelry)

since 1997

Director, The Estée Lauder

Companies Inc. (beauty products) since 2003

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<b>Nominee</b>	<b>Director Since</b>	<b>Position with the Company and Business Experience, including Directorships Held During Past Five Years</b>	<b>Specific Experience, Qualifications, Attributes and Skills</b>
Anthony A. Greener Age 76	2007	Member of the Compensation Committee and the Nominations and Corporate Governance Committee  Chairman, The Minton Trust (charity) since 2006  Trustee, United Learning (education) since 2013  Trustee, United Kingdom Sailing Academy (youth development) since 2016  Director, WNS (Holdings) Limited (outsourcing services), 2007 – 2016  Chairman, The St. Giles Trust (charity), 2008 – 2016  Director, The United Church Schools Trust (education), 2005 – 2013  Chairman, Qualifications and Curriculum Authority (education), 2002 – 2008  Deputy Chairman, British Telecommunications plc (telecommunications), 2000 – 2006  Chairman, Diageo plc (spirits, beer and wine), 1997 – 2000  Chairman and Chief Executive Officer, Guinness plc (beer and spirits), 1992 – 1997	Extensive experience as both an executive and director of companies with global brands  Strong leadership skills with a variety of diverse businesses and organizations, including specialty retailers
Grace Puma		Senior Vice President & Chief	Extensive knowledge of global

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Age 54

Supply Officer since 2015, Senior Vice President & Global Chief Procurement Officer, procurement and supply chain operations, with over 20 years as an executive

2010 2015, PepsiCo, Inc. (food and beverage)

Strong experience in global

Senior Vice President & Global

team leadership and strategy development

Chief Procurement Officer, United Airlines (airline), 2007 2010

Vice President, Kraft Foods

(food), 1999 2007

Director, Marietta Corporation

(personal care amenities), 2010 2015

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<b>Nominee</b>	<b>Director Since</b>	<b>Position with the Company and Business Experience, including Directorships Held During Past Five Years</b>	<b>Specific Experience, Qualifications, Attributes and Skills</b>
Christiana Smith Shi  Age 56		<p>Founder and Principal, Lovejoy Advisors, LLC (digital advisory services) since 2016</p> <p>President, Direct-to-Consumer, 2013 – 2016, Vice President, E-Commerce 2012 – 2013, Chief Operating Officer, Global Direct-to-Consumer, 2010 – 2012, Nike Inc. (athletic footwear and apparel)</p> <p>Director and Senior Partner, 2000 – 2010, Principal (Partner), 1994 – 2000, various positions, 1986 – 1994, McKinsey &amp; Co., Inc. (consulting)</p> <p>Director, West Marine, Inc. (boating and fishing supplies) since 2011</p> <p>Director, Mondelez International, Inc. (snacks) since 2015</p>	<p>Extensive expertise in digital commerce, global retail expansion, retail technology, store operations and supply chain, with over 15 years of experience as an e-commerce executive</p> <p>Strong understanding of global retail and operations</p>
Sabrina Simmons  Age 53	2015	<p>Member of the Audit and Finance Committee</p> <p>Executive Vice President, Chief Financial Officer, The Gap, Inc. (clothing), 2008 – 2017</p> <p>Executive Vice President, Corporate Finance, 2007 – 2008, Senior Vice President, Corporate Finance and Treasurer, 2003 – 2007, Vice President and Treasurer, 2001 – 2003, The Gap, Inc.</p> <p>Director, e.l.f. Cosmetics, Inc. (cosmetics) since 2016</p>	<p>Extensive financial and accounting expertise as chief financial officer of a large public company</p> <p>Extensive experience as an executive in the retail industry, including 16 years at The Gap, Inc.</p>

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<b>Nominee</b>	<b>Director Since</b>	<b>Position with the Company and Business Experience, including Directorships Held During Past Five Years</b>	<b>Specific Experience, Qualifications, Attributes and Skills</b>
Jerry D. Stritzke	2016	President, Chief Executive	Extensive experience in specialty
Age 56		Officer and Director, Recreational Equipment, Inc. (specialty outdoor gear), since September 2013	retail and operations, including over 18 years as a retail executive
		President and Chief Operations	Strong insight into global and
		Officer, Coach, Inc. (accessories), 2008 September 2013	multi-channel brands
		Chief Operations Officer and Co-	
		Leader, Victoria's Secret, 2006-2007, Chief Executive Officer, Mast Industries, 2001-2006, Senior Vice President Operations, 1999-2001, Limited Brands, Inc. (clothing)	
		Director, Lululemon Athletica,	
		Inc. (yoga apparel), 2012-2013	
Frits van Paasschen		Chairman, Supervisory Board,	Extensive experience in retail and
Age 56		Apollo Hotels (hotels) since 2016	hospitality, with over 15 years of experience as an executive
		Member, Board of Advisors,	Strong understanding of global
		CitizenM Hotels (hotels) since 2017	retail operations and strategy
		Member, Board of Advisors,	
		Rutberg & Company LLC (investment bank), since 2017	
		Author, <i>The Disruptors' Feast</i> ,	
		about the challenges of managing through disruptive change, published 2017	
		President, Chief Executive	
		Officer, Starwood Hotels and Resorts (hotels), 2007-2015	
		President, Chief Executive	

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Officer, Coors Brewing Company (beer), 2005  
2007

GM (President) Europe, Middle

East & Africa, 2000 - 2004, GM (President)  
Americas and Africa, 1998 - 2000, Vice President  
Strategic Planning, 1997 - 1998, Nike Inc. (athletic  
footwear and apparel)

Director, Barclays PLC (banking),

2013 - 2016

Director, Jones Apparel Group

Inc. (clothing), 2004 - 2007

Director, Oakley, Inc.

(sunglasses and athletic apparel), 2004 - 2007

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**Required Vote for This Proposal**

The election of each director nominee requires the affirmative vote of a majority of the votes cast at the Annual Meeting with respect to each nominee. The number of shares voted for a director nominee must exceed the number of votes cast against that nominee for the nominee to be elected as a director to serve until the next annual meeting or until his or her successor has been duly elected and qualified.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF ALL OF THE DIRECTOR NOMINEES LISTED ABOVE.**

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**PROPOSAL 2**

**ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**

This is a proposal asking stockholders to approve, on an advisory basis, the compensation of our Named Executive Officers as disclosed in this Proxy Statement in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, and the applicable SEC rules. This proposal is commonly known as a Say on Pay proposal, and gives our stockholders the opportunity to express their views on the compensation of our Named Executive Officers.

**Compensation Program and Philosophy**

As described in detail under the heading Executive Compensation, our executive officer compensation program is constructed to attract, retain and motivate highly qualified personnel in support of our primary objective of creating long-term value for stockholders, while maintaining direct links between executive pay, individual performance, the company's financial performance and stockholder returns. A significant portion of individual compensation is directly dependent on the company's achievement of financial goals, which we believe aligns executive interests with stockholder interests and encourages long-term stockholder returns.

**Fiscal 2016 Compensation Summary**

To align our executive compensation packages with our executive compensation philosophy, the following compensation decisions were made by the Compensation Committee for fiscal 2016:

*Adjustments to Base Salary:* The base salary of our Chief Executive Officer and Named Executive Officers remained unchanged.

*Performance-Based Cash Bonus:* Performance-based cash bonuses were paid for fiscal 2016 performance based on the company's earnings per share goal, the achievement of positive net cash from operating activities, business unit performance and the individual performance of our Named Executive Officers.

*Performance-Based and Time-Based Equity:* In fiscal 2016, our Named Executive Officers were granted performance stock units (PSUs) with variable payout based on a three-year performance metric and restricted stock units (RSUs) with both performance and service vesting. The PSUs granted in fiscal 2016 vest 100% after three years based upon achievement of pre-established earnings goals. The RSUs granted in fiscal 2016 vest 25% per year over a four-year period beginning on the grant date, subject to the achievement of positive net cash from operating activities in fiscal 2016, which has been achieved.

In addition to the above summary, stockholders are encouraged to read the Executive Compensation section of this Proxy Statement for details about our executive compensation programs, including information about the fiscal 2016 compensation of our Named Executive Officers.

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We are asking our stockholders to indicate their support for our Named Executive Officer compensation as described in this Proxy Statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and the philosophy, policies and practices described in this Proxy Statement. Accordingly, we ask our stockholders to vote FOR the following resolution at the 2017 Annual Meeting:

RESOLVED, that the company's stockholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the company's Proxy Statement for the 2017 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Executive Compensation, the tabular disclosure regarding such compensation and the accompanying narrative disclosure.

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**Required Vote for this Proposal**

To approve this proposal, a majority of voting power entitled to vote thereon, present in person or represented by proxy, at the Annual Meeting must vote FOR this proposal.

This Say on Pay vote is advisory, and therefore not binding on the company, the Compensation Committee or our Board. Our Board and our Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against the Named Executive Officer compensation as disclosed in this Proxy Statement, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

Under the rules of the NYSE, brokers are prohibited from giving proxies to vote on executive compensation matters unless the beneficial owner of such shares has given voting instructions on the matter. This means that if your broker is the record holder of your shares, you must give voting instructions to your broker with respect to Proposal 2 if you want your broker to vote your shares on the matter.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DESCRIBED IN THIS PROXY STATEMENT PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SEC.**

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**PROPOSAL 3**

**ADVISORY VOTE ON THE FREQUENCY OF AN ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**

This is a proposal asking stockholders to indicate, on an advisory basis, how frequently we should seek an advisory vote on the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with the Dodd-Frank Act and the applicable SEC rules. By voting on this Proposal 3, stockholders may indicate whether they would prefer an advisory vote on named executive officer compensation once every year, two years or three years.

After careful consideration of this proposal, our Board has determined that an advisory vote on executive compensation that occurs annually continues to be the most appropriate alternative for the company, and therefore our Board recommends that you vote for a one-year interval for the advisory vote on executive compensation.

In formulating its recommendation, our Board considered that an annual advisory vote on executive compensation allows us to obtain information on stockholders' views of the compensation of our named executive officers on a consistent basis, by allowing our stockholders to provide us with direct input on our compensation philosophy, policies and practices as disclosed in the proxy statement every year. Since the compensation of our named executive officers is evaluated, adjusted and approved on an annual basis, an annual advisory vote will provide the Board and Compensation Committee with the best opportunity to take stockholder sentiment into consideration in making decisions with respect to executive compensation. Finally, we believe an annual advisory vote on the compensation of our named executive officers aligns more closely with our objective to engage in regular dialogue with our stockholders on corporate governance matters, including our executive compensation philosophy, policies and programs. We understand that our stockholders may have different views as to what is the best approach for the company, and we look forward to hearing from our stockholders on this proposal.

You may cast your vote on your preferred voting frequency by choosing the option of one year, two years or three years or abstain from voting when you vote in response to the resolution set forth below.

RESOLVED, that the option of once every one year, two years or three years that receives the highest number of votes cast for this resolution will be determined to be the preferred frequency with which the company is to hold an advisory shareholder vote to approve the compensation of the named executive officers, as disclosed pursuant to the Securities and Exchange Commission's compensation disclosure rules, including the Compensation Discussion and Analysis, the tabular disclosure regarding such compensation and the accompanying narrative disclosure.

**Required Vote for this Proposal**

The option of one year, two years or three years that receives the highest number of votes cast by stockholders will be the frequency for the advisory vote on executive compensation that has been selected by stockholders.

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This frequency vote is advisory and therefore not binding on the Board or the company in any way, and therefore the Board may decide that it is in the best interests of our stockholders and the company to hold an advisory vote on executive compensation more or less frequently than the option approved by our stockholders.

Under the rules of the NYSE, brokers are prohibited from giving proxies to vote on executive compensation matters unless the beneficial owner of such shares has given voting instructions on the matter. This means that if your broker is the record holder of your shares, you must give voting instructions to your broker with respect to Proposal 3 if you want your broker to vote your shares on the matter.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE OPTION OF ONCE EVERY ONE YEAR AS THE FREQUENCY WITH WHICH STOCKHOLDERS ARE PROVIDED AN ADVISORY VOTE ON EXECUTIVE COMPENSATION, AS DISCLOSED PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SEC.**

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**PROPOSAL 4**

**RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

This is a proposal asking stockholders to ratify the selection of Deloitte & Touche LLP, or Deloitte, as our independent registered public accounting firm for the fiscal year ending January 28, 2018. The Audit and Finance Committee selected Deloitte as our independent registered public accounting firm for the fiscal year ending January 28, 2018, subject to ratification by our stockholders. Although stockholder ratification of our independent registered public accounting firm is not required by law, as a matter of corporate governance, we are requesting that our stockholders ratify such selection.

A Deloitte representative will be present at the Annual Meeting, and will have the opportunity to make a statement and to respond to appropriate questions.

**Deloitte Fees and Services**

Deloitte has audited our financial statements for the last 37 years. Based in part upon information provided by Deloitte, the Audit and Finance Committee determined that Deloitte is independent under applicable independence standards. The Audit and Finance Committee has reviewed and discussed the fees billed by Deloitte for services in fiscal 2016, as detailed below, and determined that the provision of non-audit services was compatible with Deloitte's independence.

Deloitte provided the company with the following services:

*Audit Fees*

Deloitte billed approximately \$2,142,000 for fiscal 2016 and \$2,021,000 for fiscal 2015 for professional services to (i) audit our consolidated financial statements and perform an assessment of the effectiveness of our internal control over financial reporting included in our Annual Report on Form 10-K, (ii) review our condensed consolidated financial statements included in our quarterly reports on Form 10-Q, (iii) audit our 401(k) plan, and (iv) audit our statutory reports for our global entities.

*Tax Fees*

Deloitte billed a total of approximately \$100,000 for fiscal 2016 and \$110,000 for fiscal 2015 for tax services. Tax services included approximately: (i) \$100,000 for fiscal 2016 and \$96,000 for fiscal 2015 for tax compliance services, which included consultation for the preparation of our federal, state and local tax returns; and (ii) \$14,000 for fiscal 2015 for tax consulting services.

*All Other Fees*

Deloitte billed a total of approximately \$32,000 for fiscal 2016 and \$30,000 for fiscal 2015 for all other fees. All other fees consisted of sustainability consulting fees and license fees related to the use of Deloitte's online accounting research tool.

During fiscal 2016 and 2015, Deloitte did not perform any prohibited non-audit services or audit-related services for us.

**Pre-Approval Policy**

All services performed by Deloitte, whether audit or non-audit services, must be pre-approved by the Audit and Finance Committee or a designated member of the Audit and Finance Committee, whose decisions must be reported to the Audit and Finance Committee at its next meeting. Pre-approval cannot be obtained more than one

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year before performance begins and can be for general classes of permitted services such as annual audit services or tax consulting services. All fees paid to Deloitte for fiscal 2016 and fiscal 2015 were pre-approved by the Audit and Finance Committee.

**Required Vote for this Proposal**

To approve this proposal, a majority of voting power entitled to vote thereon, present in person or represented by proxy, at the Annual Meeting must vote **FOR** this proposal.

If stockholders vote against this proposal, the Audit and Finance Committee will consider interviewing other independent registered public accounting firms. There can be no assurance, however, that it will choose to appoint another independent registered public accounting firm if this proposal is not approved.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE SELECTION OF DELOITTE & TOUCHE LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING JANUARY 28, 2018.**

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**PROPOSAL 5**

**AMENDMENT AND RESTATEMENT OF BYLAWS**

**TO PROVIDE FOR PROXY ACCESS**

**Our Board of Directors recommends that you vote FOR this proposal (Proposal 5) and AGAINST the stockholder s proxy access proposal (Proposal 6). We believe this Proposal 5 is in the best interests of Williams-Sonoma, Inc. and its stockholders.**

**Brief Overview of the Board Proposal**

Williams-Sonoma, Inc. is committed to acting in the best interests of our stockholders and to sound corporate governance guidelines and practices. The Board believes that eligible stockholders should be able to use the company s proxy materials to include their director candidates for election to the Board, and consequently the Board recommends stockholders vote **FOR** the proxy access bylaw (the **Bylaw** ) set forth in Exhibit A, which is based on the clear market standard of **3/3/20/20**. Approximately 85% of the companies that have adopted proxy access to date have used this market standard, which allows:

An eligible stockholder, or up to a group of **20** eligible stockholders,

That holds **3%** of our common stock for **3 years**,

The ability to nominate up to **20%** of the current Board s size as director candidates, but no less than 2 director candidates.

Unlike the Bylaw, we believe the stockholder s proposal for proxy access is inconsistent with market practice and is not properly structured or sufficiently detailed:

To prevent abuse by investors who hold a small amount of stock, who do not have a meaningful long-term interest in the company, or who want to further special interests, and

To minimize disruptions to the Board and its effectiveness.

**Primary Elements of the Company s Proxy Access Bylaw**

The following are some of the primary elements of the Bylaw (please refer to Exhibit A for the full text of the Bylaw for all of the applicable elements):

The Bylaw may be used by an eligible stockholder, or a group of up to 20 eligible stockholders, who has continuously owned at least 3% or more of our stock for 3 years before, and including the day of, submitting a nomination notice, and who continues to hold the qualifying minimum number of shares through the date of the applicable annual meeting.

The Bylaw requires the stockholder to possess both full voting and investment rights and full economic interests associated with the stock.

The Bylaw does not include, for purposes of qualifying ownership, stock that has been sold but has not settled, stock that has been borrowed, or stock that is subject to an option, warrant, or other derivative or similar agreement that has the purpose or effect of reducing the stockholder's voting rights or hedging the economic risk of the stock.

The Bylaw provides that an eligible stockholder, or a group of eligible stockholders, may nominate up to the greater of (i) 20% of the total number of directors who are members of our Board as of the last day on which a nomination notice may be submitted, rounded down to the nearest whole number, or (ii) 2 directors.

The Bylaw provides certain additional procedures and requirements if multiple stockholders seek to nominate a number of directors that exceeds the maximum number allowed or if a stockholder director candidate withdraws, is nominated by the Board itself, or is already serving as an incumbent director.

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The Bylaw requires our stockholders to provide specified information no earlier than 150 calendar days, and no later than 120 calendar days, before the anniversary of the date we mailed our proxy statement for the prior year's annual meeting.

The Bylaw requires confirmation that a stockholder did not acquire, and is not holding, any of our common stock for the purpose or with the effect of, changing the control of, or influencing a change-of-control in, the company.

The Bylaw requires specified documents such as a Schedule 14N (a required SEC form), certain independence standards, and background information required by the proxy rules.

**Required Vote for this Proposal**

Approval of Proposal 5 requires the affirmative vote of a majority of the votes cast in person or by proxy at the 2017 Annual Meeting. Abstentions and broker non-votes will not affect the voting results for this proposal. Proposal 5 is not conditioned on the disapproval or approval of the stockholder proposal.

Under the rules of the NYSE, brokers are prohibited from giving proxies to vote on stockholder proposals opposed by management matters unless the beneficial owner of such shares has given voting instructions on the matter. This means that if your broker is the record holder of your shares, you must give voting instructions to your broker with respect to Proposal 5 if you want your broker to vote your shares on the matter. Abstentions and broker non-votes will not affect the voting results for either proposal.

**We believe this Proposal 5 and the Bylaw foster substantial long-term stockholder value and good corporate governance practices.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THIS PROPOSAL TO AMEND OUR BYLAWS TO ADOPT PROXY ACCESS.**

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**PROPOSAL 6**

**STOCKHOLDER PROPOSAL**

Mr. James McRitchie and Ms. Myra K. Young, 9295 Yorkship Court, Elk Grove, California, 95758, beneficial owners of 40 shares of our common stock, have notified us that they intend to present the following resolution at the Annual Meeting.

**Our Board has recommended a vote AGAINST Proposal 6 for the reasons set forth after the proposal.**

The stockholder proposal is quoted verbatim in italics below.

*Proposal 6 Shareholder Proxy Access*

*RESOLVED: Shareholders of the Williams-Sopnoma, Inc. [sic] (the Company) ask the board of directors (the Board) to amend its bylaws or other documents, as necessary, to provide proxy access with essential elements for substantial implementation as follows:*

- 1. Nominating shareholders or shareholder groups must beneficially own 3% or more of the Company's outstanding common stock ( Required Stock ) continuously for at least three years and pledge to hold such stock through the annual meeting.*
- 2. The number of shareholder-nominated candidates eligible to appear in proxy materials shall be one quarter of the directors then serving or two, whichever is greater.*
- 3. No limitations, below fifty, shall be placed on the number of shareholders that can aggregate their shares to achieve the 3% Required Stock.*

*Supporting Statement: The SEC's universal proxy access Rule 14a-11 (<https://www.sec.gov/rules/final/2010/33-9136>) was vacated after a court decision regarding the SEC's cost-benefit analysis. Therefore, proxy access rights must be established on a company-by-company basis. Subsequently, Proxy Access in the United States: Revisiting the Proposed SEC Rule (<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n9.1>) a cost benefit-analysis by CFA Institute, found proxy access would benefit both the markets and corporate boardrooms, with little cost or disruption, raising US market capitalization by up to \$140.3 billion. Public Versus Private Provision of Governance: The Case of Proxy Access (<http://ssrn.com/abstract+2635695>) found a 0.5 percent average increase in shareholder value for proxy access targeted firms.*

*Proxy Access: Best Practices ([http://www.cii.org/files/publications/misc/08\\_05\\_15\\_Best%20Practices%20-%20Proxy%20Access.pdf](http://www.cii.org/files/publications/misc/08_05_15_Best%20Practices%20-%20Proxy%20Access.pdf)) by the Council of Institutional Investors, highlights the most troublesome provision in recently implemented access bylaws. Noteworthy is the following:*

*The ability to aggregate holdings is crucial to the effectiveness of proxy access without it, a proxy access provision would not be viable.*

*We note that without the ability to aggregate holdings even CII's largest members would be unlikely to meet a 3% ownership requirement to nominate directors. Our review of current research found that even if the 20 largest public pension funds were able to aggregate their shares they would not meet the 3% criteria at most of the companies examined.*

*CII's position is generally consistent with the views of the SEC. In 2010, the SEC considered, but rejected imposing a cap on the permitted number of members in a nominating group. The SEC found that individual shareowners at most companies would not be able to meet the minimum threshold of 3% ownership for proxy access unless they could aggregate their shares with other owners.*

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*Many corporate boards have adopted proxy access bylaws with troublesome provisions that significantly impair the ability of shareholders to participate in the nominating process, and the ability of shareholder nominees to effectively serve if elected. Adoption of bylaws with all the requested elements outlined above would help ensure meaningful proxy access is available to more shareholders.*

*Increase Shareholder Value*

*Vote for Shareholder Proxy Access Enhancement Proposal 6*

**Opposition Statement of the Board of Directors**