Hanesbrands Inc.
Form DEF 14A
March 12, 2018
**Table of Contents**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant Filed by a Party other than the Registrant

CHECK THE APPROPRIATE BOX:

Preliminary Proxy Statement
Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Under Rule 14a-12

**Hanesbrands Inc.**

(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
1) Title of each class of securities to which transaction applies:
2) Aggregate number of securities to which transaction applies:
3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
4) Proposed maximum aggregate value of transaction:
5) Total fee paid:
Fee paid previously with preliminary materials:
Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
1) Amount previously paid:
2) Form, Schedule or Registration Statement No.:
3) Filing Party:
4) Date Filed:

**Table of Contents**

# Notice of the 2018 Annual Meeting of Stockholders and Proxy Statement

**Table of Contents**

## Message From Our Chairman and Our Chief Executive Officer

Dear Fellow Stockholders:

In 2017, Hanesbrands achieved net sales growth of seven percent and record operating cash flow of $656 million. Our strong balance sheet and cash flow continue to support our value-creating business model of innovation, supply chain leverage and strategic acquisitions. Over the past three years, we have generated nearly $1.5 billion in operating cash flow, invested in our brands, made numerous acquisitions and returned nearly $1.7 billion to our stockholders through dividends and share repurchases. We remain in a solid position to create further value for our stockholders in 2018 and beyond.

At Hanesbrands, we strive to work hard and compete aggressively, but always do the right thing. We are protective of our strong reputation for corporate citizenship and social responsibility, and proud of our significant achievements in the areas of environmental stewardship, workplace quality and community building around the world. We call our corporate social responsibility program *Hanes for Good* – that's because adhering to responsible and sustainable business practices is good for our company, good for our employees, good for our communities and good for our stockholders. We invite you to learn more about our *Hanes for Good* corporate responsibility initiatives at *www.HanesforGood.com*.

We also take pride in our commitment to responsible corporate governance. Our Board is composed of a group of industry leading experts with diverse ethnicities, genders, experiences and backgrounds who work with management to drive long-term, sustainable performance and create value for our stockholders. Our directors engage in the Company's strategic planning and provide independent guidance and oversight on the economic, operational and legal risks that we face.

Our 2018 Annual Meeting of Stockholders will be held on Tuesday, April 24, 2018, at 2:15 p.m., at the Company's headquarters, located at 1000 East Hanes Mill Road, Winston-Salem, NC 27105. This proxy statement will serve as your guide to the business to be conducted at the annual meeting. We invite you to attend, and ask you to please vote at your earliest convenience whether or not you plan to attend. Your vote is important.

We appreciate your confidence and continued support of Hanesbrands.

Sincerely yours,

RICHARD A. NOLL
Chairman of the Board of Directors

GERALD W. EVANS, JR.
Chief Executive Officer

Table of Contents

# Proxy Summary

## Election of Directors

The Board of Directors recommends a vote **FOR** the ten director nominees named below

>> See page 10 for further information about our director nominees

### Director Nominees

| Name | Occupation | Age | Director since | Independent | Other current directorships | Hanesbrands Committees A | C | G&N |
|---|---|---|---|---|---|---|---|---|
| **Gerald W. Evans, Jr.** | Chief Executive Officer of Hanesbrands Inc. | 58 | 2016 | NO | | | | |
| **Bobby J. Griffin** | Former President, International Operations of Ryder System, Inc. | 69 | 2006 | YES | United Rentals, Inc.<br>WESCO International, Inc.<br>Atlas Air Worldwide Holdings, Inc. | | M | M |
| **James C. Johnson** | Former General Counsel of Loop Capital Markets LLC | 65 | 2006 | YES | Ameren Corporation<br>Energizer Holdings, Inc.<br>Edgewell Personal Care Company | | M | C |
| **Jessica T. Mathews** | Distinguished Fellow, Carnegie Endowment for International Peace | 71 | 2006 | YES | SomaLogic, Inc. | M | | |
| **Franck J. Moison** | Vice Chairman of the Colgate-Palmolive Company | 64 | 2015 | YES | United Parcel Service, Inc. | M | | |
| **Robert F. Moran** | Chairman of the Board of Directors of GNC Holdings, Inc. | 67 | 2013 | YES | GNC Holdings, Inc. | C | | |
| **Ronald L. Nelson*** | Executive Chairman of Avis Budget Group, Inc. | 65 | 2008 | YES | Avis Budget Group, Inc.<br>Convergys Corporation<br>Viacom Inc. | | M | M |
| **Richard A. Noll** | Chairman of the Board of Directors and former Chief Executive Officer of Hanesbrands Inc. | 60 | 2005 | NO | | | | |
| **David V. Singer** | Former Chief Executive Officer of Snyder's-Lance, Inc. | 62 | 2014 | YES | Brunswick Corporation<br>Flowers Foods, Inc.<br>SPX FLOW, Inc. | M | | |
| **Ann E. Ziegler** | Former Chief Financial Officer of CDW Corporation | 59 | 2008 | YES | Groupon, Inc.<br>Wolters Kluwer N.V.<br>US Foods Holding Corp. | | C | M |

A: Audit
C: Compensation
G&N: Governance & Nominating

*: Lead Director
C: Chair
M: Member

**Table of Contents**

Director Nominee Age

Director Nominee Tenure

### Director Nominee Skills and Qualifications

- Chief Executive Officer Experience
- Corporate Governance Experience
- Corporate Management Experience
- Financial Literacy
- Industry Experience
- International Business Experience
- Chief Financial Officer Experience
- Extensive Knowledge of the Company’s Business

### Corporate Governance Highlights

- The majority of director nominees are independent (8 of 10)
- Annual election of directors
- Majority voting for directors
- Strong Lead Director
- Board oversight of risk management
- Succession planning for CEO and key members of senior management
- Annual, robust Board and committee self-evaluation process
- Executive and director stock ownership guidelines
- Mandatory one-year holding period of stock following vesting of equity awards for executives
- Hedging and pledging of company stock is prohibited

## To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm

The Board of Directors recommends a vote **FOR** this item

We are asking you to ratify the appointment of PricewaterhouseCoopers LLP (“PwC”) as our independent auditor for our 2018 financial year.

>> See page 26 for further information about our independent auditors

**Table of Contents**

## To approve, on an advisory basis, executive compensation as disclosed in the proxy statement for our 2018 Annual Meeting

The Board of Directors recommends a vote **FOR** this item

Hanesbrands' stockholders have the opportunity to cast a non-binding, advisory "say on pay" vote on our named executive officer compensation, as disclosed in this proxy statement. We ask for your approval of the compensation of our named executive officers. Before considering this proposal, please read our Compensation Discussion and Analysis, which explains our executive compensation programs and the Compensation Committee's compensation decisions.

>> See page 29 for further information about our executive compensation program

**Table of Contents**

## COMPENSATION HIGHLIGHTS

### Business Strategies and Priorities

Hanesbrands is a socially responsible leading marketer of everyday basic innerwear and activewear apparel in the Americas, Europe, Australia and Asia-Pacific under some of the world's strongest apparel brands, including *Hanes, Champion, Bonds, Maidenform, DIM, Bali, Playtex, JMS/Just My Size, Nur Die/Nur Der, L'eggs, Lovable, Wonderbra, Berlei, Gear for Sports* and *Alternative*. We have a long history of innovation, product excellence and brand recognition, and we take great pride in our reputation for ethical business practices and the success of our Hanes for Good corporate responsibility program for community and environmental improvement.

Over the past decade, we have refined and strengthened our multi-faceted business model by implementing various strategies based on the underlying premise of Sell More, Spend Less and Generate Cash. These strategies include the globalization of our supply chain, our revenue and margin-enhancing Innovate-to-Elevate strategy and the implementation of a disciplined acquisition and capital allocation strategy.

These strategies have been extremely successful in driving solid financial results and setting the stage for future growth. Our strong cash flow will allow us to continue to pursue strategic acquisitions and investment that we believe will drive long-term stockholder returns. Our disciplined acquisition strategy is delivering incremental benefits to our stockholders not only through cost-saving synergies, but also through revenue diversification and organic growth opportunities. We are preparing for future growth through a number of strategic initiatives, including: (1) increased investment in our global portfolio of leading brands, including brand building and marketing support; (2) accelerated development of our global omnichannel capabilities, including online in the U.S. as well as online and retail in our international markets; (3) continued focus on strategic acquisitions that complement our current brands and provide revenue diversification both by channel and internationally; (4) further leveraging of our supply chain capabilities; and (5) expansion of our *Champion* brand globally.

### 2017 Performance Highlights

During 2017, we continued to deliver on our key strategic priorities in a challenging and highly competitive global environment. Key financial and strategic highlights included:

- Record net sales of $6.47 billion, with sales in the global online channel increasing by 22 percent;
- Greater geographic diversity with record International segment sales of $2.1 billion, or 32 percent of total sales;
- The acquisition of Alternative Apparel and its Alternative lifestyle brand known for its social responsibility and better basic T-shirts and fleece; and
- Expansion across brands and geographies of our FreshIQ, X-Temp and ComfortFlex Fit innovation platforms.

### Executive Compensation Philosophy and Framework

At Hanesbrands, we emphasize a "pay-for-performance" culture, linking a substantial percentage of an executive's compensation to our performance and stockholders' value growth. Specifically:

- To motivate our executive officers and align their interests with those of our stockholders, we provide annual incentives designed to reward our executive officers for the attainment of short-term goals and long-term incentives designed to reward them for increasing stockholder value over time.
- Performance-based and at-risk compensation represents nearly 75% of our named executive officers' total target direct compensation.
- In keeping with our pay for performance philosophy, we expect our executive officers to deliver overall results that exceed the target level of performance in order to receive above median market compensation. Performance below the target level of performance may result in below median market compensation.
- Our compensation program is designed to reward exceptional and sustained performance. By combining a three-year vesting period for equity awards with a mandatory one-year holding period following vesting (and policies prohibiting hedging or pledging of such shares), a substantial portion of the value of our executives' compensation package is tied to changes in our stock price, and therefore at-risk, for a significant period of time. The Compensation Committee believes this design provides an effective way to link executive compensation to long-term stockholder returns.

**Table of Contents**

## Elements of 2017 Compensation

Our named executive officers' compensation for 2017 consisted principally of the following elements:

| | | |
|---|---|---|
| **Base Salary** | Fixed compensation component<br>Reflects the individual responsibilities, performance and experience of each named executive officer | Provides a fixed base of cash compensation for fulfillment of fundamental job responsibilities |
| **Annual Incentive Plan (“AIP”) Awards** | Performance-based cash compensation<br>Payout determined based on Company performance against pre-established metrics | Motivates performance by linking compensation to the achievement of key objectives that contribute to accomplishing consistent and strategic annual results |
| **Long-Term Incentive Program (“LTIP”) Awards** | Performance-based and at-risk, time-vested compensation<br>Performance Share Awards (“PSAs”) (50% of LTIP opportunity)<br>*Vesting on third anniversary of grant date*<br>*Number of shares received will range from 0% to 200% of the number of units granted based on 2017 Company performance against pre-established metrics*<br>Restricted Stock Unit Awards (“RSUs”) (50% of LTIP opportunity)<br>*Ratable vesting over a three-year service period*<br>Mandatory one-year holding period following vesting for all LTIP awards | Encourages behavior that enhances the long-term growth, profitability and financial success of the Company, aligns executives' interests with our stockholders and supports retention objectives |

## Executive Compensation Mix

Our emphasis on performance-based and at-risk pay is reflected in the following chart, which illustrates the 2017 total target direct compensation mix for our Chief Executive Officer and our other named executive officers (“NEOs”).

Performance-Based and At-Risk Compensation: 87.00%

Performance-Based and At-Risk Compensation: 74.90%

## 2017 Performance Criteria

The Compensation Committee chose to use net sales growth, diluted earnings per share from continuing operations, excluding actions ("EPS-XA") growth, and cash flow from operations as performance criteria for our named executive officers' 2017 performance-based pay opportunities, as follows:

## 2017 Executive Compensation

### Summary of Compensation

The following table sets forth a summary of compensation earned by or paid to our named executive officers for our 2017, 2016 and 2015 fiscal years.

| Name and Principal Position | Year | Salary ($) | Bonus ($) | Stock Awards ($) | Non-Equity Incentive Plan Compensation ($) | Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) | All Other Compensation ($) | Total Compensation ($) |
|---|---|---|---|---|---|---|---|---|
| | 2017 | $1,100,000 | $— | $6,250,014 | $1,889,250 | $164,848 | $177,874 | $9,581,985 |
| **Gerald W. Evans, Jr.** | 2016 | 912,500 | — | 6,543,769 | 1,394,190 | 132,718 | 206,366 | 9,189,543 |
| **Chief Executive Officer** | 2015 | 750,000 | — | 2,450,002 | 900,000 | 8,612 | 190,895 | 4,299,509 |
| **Barry A. Hytinen Chief Financial Officer** | 2017 | 127,693 | 250,000 | 2,200,017 | 124,277 | — | 42,824 | 2,744,812 |
| **Richard D. Moss** | 2017 | 625,000 | — | — | 715,625 | — | 92,305 | 1,432,930 |
| | 2016 | 575,000 | — | 1,600,018 | 763,485 | — | 323,735 | 3,262,238 |
| **Former Chief Financial Officer** | 2015 | 575,000 | — | 1,450,008 | 690,000 | — | 157,830 | 2,872,838 |
| **W. Howard Upchurch** | 2017 | 570,000 | — | 1,302,001 | 489,488 | 51,457 | 65,043 | 2,477,988 |
| | 2016 | 525,000 | — | 1,201,980 | 592,531 | 29,398 | 103,155 | 2,452,064 |
| **Group President, Innerwear Americas** | 2015 | 525,000 | — | 924,972 | 535,500 | — | 111,184 | 2,096,656 |
| **Joia M. Johnson** | 2017 | 550,000 | — | 1,181,999 | 535,288 | — | 67,358 | 2,334,644 |
| | 2016 | 515,000 | — | 1,082,012 | 581,245 | — | 278,966 | 2,457,223 |
| **Chief Administrative Officer, General Counsel and Corporate Secretary** | 2015 | 515,000 | — | 960,007 | 525,300 | — | 120,248 | 2,120,556 |
| **Michael E. Faircloth** | 2017 | 540,000 | — | 1,205,002 | 463,725 | 22,927 | 60,987 | 2,292,641 |
| **President, Chief Global Supply Chain and Information Technology Officer** | 2016 | 510,000 | — | 1,105,012 | 507,884 | 13,083 | 85,673 | 2,221,651 |

>> Please see page 47 for further explanation and detail

# Table of Contents

**Table of Contents**

## Notice of the 2018 Annual Meeting of Stockholders

WHEN:
Tuesday, April 24, 2018
2:15 p.m., Eastern time

WHERE:
Hanesbrands Inc.
1000 East Hanes Mill Road
Winston-Salem, NC 27105

PURPOSE:

| | |
|---|---|
| 1. | to elect ten directors to serve on the Hanesbrands Board of Directors until Hanesbrands' next annual meeting of stockholders and until their successors are duly elected and qualify; |
| 2. | to vote on a proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our 2018 fiscal year; |
| 3. | to vote on a proposal to approve, on an advisory basis, executive compensation as disclosed in the proxy statement for our 2018 Annual Meeting; and |
| 4. | to transact such other business as may properly come before the meeting or any adjournment or postponement thereof. |

RECORD DATE:
Stockholders of record at the close of business on February 20, 2018 are entitled to notice of, and to vote at, the Annual Meeting.

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

By Order of the Board of Directors

JOIA M. JOHNSON
Chief Administrative Officer, General Counsel and
Corporate Secretary

March 12, 2018
Winston-Salem, North Carolina

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

BY TELEPHONE
In the U.S. or Canada, you can authorize a proxy to vote your shares toll-free by calling 1-800-690-6903.

### BY INTERNET

You can authorize a proxy to vote your shares online at www.proxyvote.com.

### BY MAIL

You can authorize a proxy to vote by mail by marking, dating, and signing your proxy card or voting instruction form and returning it in the postage-paid envelope.

## ATTENDING THE MEETING

An admission ticket (or other proof of stock ownership) and some form of government-issued photo identification (such as a valid driver's license or passport) will be required for admission to the Annual Meeting. Only stockholders who owned shares of Hanesbrands common stock as of the close of business on February 20, 2018 will be entitled to attend the Annual Meeting.

Important Notice regarding the availability of proxy materials for the Annual Meeting of Stockholders to be held on April 24, 2018.

The Annual Report and Proxy Statement are available at www.proxyvote.com.

The Notice of Internet Availability of Proxy Materials, or this Notice of the 2018 Annual Meeting of Stockholders, this Proxy Statement and our 2017 annual report on Form 10-K are first being mailed to stockholders on or about March 12, 2018.

**Table of Contents**

## Corporate Governance at Hanesbrands

Our Board of Directors currently has ten members. Each of our directors is elected to serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualified. If a nominee is unavailable for election, proxy holders may vote for another nominee proposed by the Board or, as an alternative, the Board may reduce the number of directors to be elected at the Annual Meeting. Each nominee has agreed to serve on the Board if elected. Following is information regarding each of the nominees for election, which has been confirmed by the applicable nominee for inclusion in this proxy statement.

The ten nominees for election at the Annual Meeting possess experience and qualifications that our Governance and Nominating Committee believes will allow them to make substantial contributions to the Board. In selecting nominees to the Board, we seek to ensure that our Board collectively has a balance of experience and expertise, including chief executive officer experience, chief financial officer experience, international expertise, deep experience in the consumer products industry, corporate governance expertise and expertise in other functional areas that are relevant to our business. For more information about the process by which the Governance and Nominating Committee identifies candidates for election to the Board, please see "Process for Nominating Potential Director Candidates" on page 17. Following, please find a more detailed discussion of the business experience of each of the nominees to the Board.

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

**Table of Contents**

Director Nominee Skills and Qualifications

Director Nominee Age

Director Nominee Tenure

**Table of Contents**

## Nominees for Election as Directors for a One-Year Term Expiring in 2019

### Gerald W. Evans, Jr.

*Chief Executive Officer of Hanesbrands Inc.*

Age: 58
Director Since: 2016
Committee Membership: None

Mr. Evans has served as our Chief Executive Officer since 2016. From 2013 to 2016, he served as Chief Operating Officer of the Company, and from 2011 until 2013, he served as Co-Chief Operating Officer of the Company. Prior to his appointment as Co-Chief Operating Officer, Mr. Evans served as the Company's Co-Operating Officer, President International, from 2010 until 2011. From 2009 until 2010, he was President of the Company's International Business and Global Supply Chain. From 2008 until 2009, he served as President of the Company's Global Supply Chain and Asia Business Development. From 2006 until 2008, he served as Executive Vice President, Chief Supply Chain Officer. From 2005 until 2006, Mr. Evans served as a Vice President of Sara Lee Corporation, our former parent company, and as Chief Supply Chain Officer of Sara Lee Branded Apparel. Mr. Evans served as President and Chief Executive Officer of Sara Lee Sportswear and Underwear from 2003 until 2005 and as President and Chief Executive Officer of Sara Lee Sportswear from 1999 to 2003. Mr. Evans is also a member of the Business Roundtable.

**Specific Experience and Qualifications:**

| | |
|---|---|
| *Corporate Management Experience and Financial Literacy* | Served in senior leadership positions with large organizations and has experience with corporate management issues, including preparing or overseeing the preparation of financial statements |
| *Chief Executive Officer Experience* | Has experience in, and possesses an understanding of, business issues applicable to the success of a large publicly-traded company |
| *International Business Experience* | Served in senior leadership positions with companies engaged in international business |
| *Industry Experience* | Served in senior leadership positions with companies in the consumer products industry |
| *Extensive Knowledge of the Company s Business* | Has extensive knowledge of Hanesbrands business and the apparel industry |

### Bobby J. Griffin

*Former President, International Operations of Ryder System, Inc.*

Age: 69
Director Since: 2006
Committee Membership: Compensation, Governance and Nominating

Other Current Directorships:

United Rentals, Inc.

WESCO International, Inc.

Atlas Air Worldwide Holdings, Inc.

Former Directorships Within the Past Five Years:

Horizon Lines, Inc.

Mr. Griffin served as President, International Operations of Ryder System, Inc. ("Ryder System"), a global leader in transportation and supply chain management solutions, from 2005 to 2007. Beginning in 1986, Mr. Griffin served in various other management positions with Ryder System, including as Executive Vice President, International Operations from 2003 to 2005 and Executive Vice President, Global Supply Chain Operations from 2001 to 2003.

**Specific Experience and Qualifications:**

| | |
|---|---|
| *Corporate Management Experience and Financial Literacy* | Served in senior leadership positions with a large organization and has experience with corporate management issues, including preparing or overseeing the preparation of financial statements |
| *International Business Experience* | Served in senior leadership positions with a company engaged in international business |
| *Practical Expertise* | Gained substantial experience in mergers and acquisitions, procurement and distribution, strategic planning, and transportation and security through service in senior leadership positions with a large international company |
| *Corporate Governance Experience* | Gained experience in corporate governance through service as a director of other public companies |

**Table of Contents**

## James C. Johnson

*Former General Counsel of*
*Loop Capital Markets LLC*

Age: 65
Director Since: 2006
Committee Membership: Compensation, Governance and Nominating (Chair)

Other Current Directorships:

Ameren Corporation
Energizer Holdings, Inc.
Edgewell Personal Care Company

Mr. Johnson served as General Counsel of Loop Capital Markets LLC, a provider of a broad range of integrated capital solutions for corporate, governmental and institutional entities, from 2010 until 2013. Mr. Johnson previously served as Vice President and Assistant General Counsel of the Boeing Commercial Airplanes division of The Boeing Company, one of the world s major aerospace firms, from 2007 until 2009. From 1998 until 2007, Mr. Johnson served as Vice President, Corporate Secretary and Assistant General Counsel of The Boeing Company. He currently serves as a trustee of the University of Pennsylvania and a Member of the Board of Overseers of the College of Arts and Sciences.

**Specific Experience and Qualifications:**

| | |
|---|---|
| *Corporate Management Experience and Financial Literacy* | Served in senior leadership positions in a large organization and has experience with corporate management issues; reporting to the General Counsel, had responsibility for the staff and legal affairs for Boeing Commercial Airplanes, a business with annual revenue in excess of $20 billion |
| *Practical Expertise* | Served as Vice President, Corporate Secretary and Assistant General Counsel of The Boeing Company, where he gained practical expertise in the area of corporate governance and significant business and financial issues |
| *Corporate Governance Experience* | Gained substantial experience in the oversight and administration of governance policies and programs through service as a director of other public companies, as well as through his position as Corporate Secretary of The Boeing Company; gained additional experience in executive compensation as a member of the compensation committee and as the chair of the compensation committee for two other public companies |

## Jessica T. Mathews

*Distinguished Fellow,*
*Carnegie Endowment for International Peace*

Age: 71
Director Since: 2006
Committee Membership: Audit

Other Current Directorships:

SomaLogic, Inc.

Ms. Mathews has served as a Distinguished Fellow at the Carnegie Endowment for International Peace, a foreign policy think tank dedicated to advancing cooperation between nations and promoting active international engagement by the United States, since 2015. From 1997 to 2015, Ms. Mathews served as President of the Carnegie Endowment for International Peace. She also served as Deputy to the Undersecretary of State for Global Affairs in the Department of State in 1993 and in other senior governmental and non-governmental positions earlier in her career. Ms. Mathews was Director of the Washington Office of the Council on Foreign Relations from 1994 to 1997. She serves as a trustee of Harvard University and several other nonprofit organizations.

**Specific Experience and Qualifications:**

| | |
|---|---|
| *Corporate Management Experience and Financial Literacy* | Served in senior leadership positions with large organizations and has experience with corporate management issues, including preparing or overseeing the preparation of financial statements; also serves on the Finance Committee at Harvard University overseeing a $35 billion endowment and $4.5 billion budget |
| *Practical Expertise* | Serves in a policy-making role that is relevant to Hanesbrands international activities; also has practical expertise in the areas of environmental policy, labor and human rights advocacy and non-governmental organization relationships |
| *Corporate Governance Experience* | Gained experience in corporate governance through service as a director of a privately held protein biomarker discovery and clinical diagnostics company |

**Table of Contents**

## Franck J. Moison

*Vice Chairman of the Colgate-Palmolive Company*

Age: 64
Director Since: 2015
Committee Membership: Audit

Other Current Directorships:

United Parcel Service, Inc.

Former Directorships Within the Past Five Years:

H.J. Heinz Company

Mr. Moison has served as Vice Chairman of the Colgate-Palmolive Company ("Colgate-Palmolive"), a leading consumer products company, since 2016. He served as Chief Operating Officer of Emerging Markets & Business Development for Colgate-Palmolive from 2010 to 2016. Beginning in 1978, Mr. Moison served in various management positions with Colgate-Palmolive, including as President, Global Marketing, Supply Chain & R&D from 2007 to 2010, and President, Western Europe, Central Europe and South Pacific from 2005 to 2007. He serves as a member of the board of directors of the French American Chamber of Commerce, as Chairman of the International Advisory Board of the EDHEC Business School (Paris, London, Singapore) and as a member of the International Board of the McDonough School of Business at Georgetown University.

**Specific Experience and Qualifications:**

| | |
|---|---|
| *Corporate Management Experience and Financial Literacy* | Served in senior leadership positions with large organizations and has experience with corporate management issues, including preparing or overseeing the preparation of financial statements |
| *International Business Experience* | Served in senior leadership positions with companies engaged in international business |
| *Industry Experience* | Served in senior leadership positions with companies in the consumer products industry |
| *Corporate Governance Experience* | Gained experience in corporate governance through service as a director of other public companies |

## Robert F. Moran

*Chairman of the Board of GNC Holdings, Inc.*

Age: 67
Director Since: 2013
Committee Membership: Audit (Chair)

Other Current Directorships:

GNC Holdings, Inc.

Former Directorships Within the Past Five Years:

PetSmart, Inc.

Mr. Moran has served as Chairman of the Board of GNC Holdings, Inc. (“GNC”), a leading global specialty retailer of health and wellness products, since 2017. From 2016 to 2017, Mr. Moran also served as Interim Chief Executive Officer of GNC. He served as Chairman of the Board of PetSmart, Inc. (“PetSmart”), a leading specialty provider of pet care products and services, from 2012 to 2013 and as Chief Executive Officer of PetSmart from 2009 to 2013. He joined PetSmart as President of North American Stores in 1999, and in 2001 he was appointed President and Chief Operating Officer. From 1998 to 1999, Mr. Moran was President of Toys “R” Us (Canada) Ltd., a subsidiary of specialty toy retailer Toys “R” Us, Inc. Prior to 1991 and from 1993 to 1998, for a total of 20 years, Mr. Moran was employed by retailer Sears, Roebuck and Company in a variety of financial and merchandising positions, including as President and Chief Executive Officer of Sears de Mexico. He was also Chief Financial Officer and Executive Vice President of Galerias Preciados of Madrid, Spain, a leading department store, from 1991 to 1993. Mr. Moran also serves as a director of the USA Track and Field Foundation.

**Specific Experience and Qualifications:**

| | |
|---|---|
| *Corporate Management Experience and Financial Literacy* | Served in senior leadership positions with large organizations and has experience with corporate management issues, including preparing or overseeing the preparation of financial statements |
| *Chief Executive Officer Experience* | Has experience in, and possesses an understanding of, business issues applicable to the success of a large publicly-traded company |
| *Chief Financial Officer Experience* | Possesses financial acumen and an understanding of financial matters and the preparation and analysis of financial statements |
| *International Business Experience* | Served in senior leadership positions with companies engaged in international business |
| *Industry Experience* | Served in senior leadership positions with companies in the consumer products industry |
| *Corporate Governance Experience* | Gained experience in corporate governance through service as a director of other public companies |

**Table of Contents**

## Ronald L. Nelson

*Executive Chairman of Avis Budget Group, Inc.*

Age: 65
Director Since: 2008
Committee Membership: Compensation, Governance and Nominating

Lead Director

Other Current Directorships:
- Avis Budget Group, Inc.
- Convergys Corporation
- Viacom Inc.

Mr. Nelson has served as Executive Chairman of Avis Budget Group, Inc. ("Avis Budget Group"), which operates two major brands in the global vehicle rental industry through Avis and Budget, since 2016. From 2006 to 2015, Mr. Nelson served as Chairman and Chief Executive Officer of Avis Budget Group. Mr. Nelson was a director of Cendant Corporation (the predecessor of Avis Budget Group) from 2003 to 2006, Chief Financial Officer from 2003 until 2006 and President from 2004 to 2006. Mr. Nelson was also Chairman and Chief Executive Officer of Cendant Corporation's Vehicle Rental business from January 2006 to August 2006. From 2005 to 2006, Mr. Nelson was interim Chief Executive Officer of Cendant Corporation's former Travel Distribution Division.

**Specific Experience and Qualifications:**

| | |
|---|---|
| *Corporate Management Experience and Financial Literacy* | Served in senior leadership positions with large organizations and has experience with corporate management issues, including preparing or overseeing the preparation of financial statements |
| *Chief Executive Officer Experience* | Has experience in, and possesses an understanding of, business issues applicable to the success of a large publicly-traded company |
| *Chief Financial Officer Experience* | Possesses financial acumen and an understanding of financial matters and the preparation and analysis of financial statements |
| *International Business Experience* | Served in senior leadership positions with companies engaged in international business |
| *Industry Experience* | Served in senior leadership positions with companies in the consumer products industry |
| *Corporate Governance Experience* | Gained experience in corporate governance through service as a director of other public companies |

## Richard A. Noll

*Chairman of the Board of Directors of Hanesbrands Inc.*

Age: 60
Director Since: 2005
Committee Membership: None

Mr. Noll has served as Chairman of the Board of Directors of Hanesbrands Inc. since 2009, as Executive Chairman from 2016 to 2017, and Chief Executive Officer from 2006 to 2016. Previously in his career, Mr. Noll led the turnarounds of several Sara Lee Corporation bakery and apparel businesses, consulted for Strategic Planning Associates and began his career as a systems programmer.

**Specific Experience and Qualifications:**

| | |
|---|---|
| *Corporate Management Experience and Financial Literacy* | Served in senior leadership positions with large organizations and has experience with corporate management issues, including preparing or overseeing the preparation of financial statements |
| *Chief Executive Officer Experience* | Has experience in, and possesses an understanding of, business issues applicable to the success of a large publicly-traded company |
| *International Business Experience* | Served in senior leadership positions with companies engaged in international business |
| *Industry Experience* | Served in senior leadership positions with companies in the consumer products industry |
| *Extensive Knowledge of the Company s Business* | Has extensive knowledge of Hanesbrands business and the apparel industry |
| *Corporate Governance Experience* | Gained experience in corporate governance through service as a director of another public company |

**Table of Contents**

## David V. Singer

*Former Chief Executive Officer of Snyder s-Lance, Inc.*

Age: 62
Director Since: 2014
Committee Membership: Audit

Other Current Directorships:

Brunswick Corporation

Flowers Foods, Inc.

SPX FLOW, Inc.

Former Directorships Within the Past Five Years:

Synder s-Lance, Inc.

From 2010 to 2013, Mr. Singer served as Chief Executive Officer of Snyder s-Lance, Inc., a manufacturer and marketer of snack foods throughout the United States and internationally. He also served as the President and Chief Executive Officer of Lance, Inc. from 2005 until its merger with Snyder s of Hanover, Inc. in 2010. From 1987 to 2005, Mr. Singer served as Chief Financial Officer of Coca-Cola Bottling Co. Consolidated, a beverage manufacturer and distributor. Prior to 1987, Mr. Singer was Vice President of Mellon Bank, N.A.

**Specific Experience and Qualifications:**

| | |
|---|---|
| *Corporate Management Experience and Financial Literacy* | Served in senior leadership positions with large organizations and has experience with corporate management issues, including preparing or overseeing the preparation of financial statements |
| *Chief Executive Officer Experience* | Has experience in, and possesses an understanding of, business issues applicable to the success of a large publicly-traded company |
| *Chief Financial Officer Experience* | Possesses financial acumen and an understanding of financial matters and the preparation and analysis of financial statements |
| *International Business Experience* | Served in senior leadership positions with companies engaged in international business |
| *Industry Experience* | Served in senior leadership positions with companies in the consumer products industry |
| *Corporate Governance Experience* | Gained experience in corporate governance through service as a director of other public companies |

## Ann E. Ziegler

*Former Chief Financial Officer of CDW Corporation*

Age: 59
Director Since: 2008
Committee Membership: Compensation (Chair), Governance and Nominating

Other Current Directorships:

Groupon, Inc.

Wolters Kluwer N.V.

US Foods Holding Corp.

Ms. Ziegler served as Senior Vice President and Chief Financial Officer and a member of the executive committee of CDW Corporation, a leading provider of technology solutions for business, government, healthcare and education, from 2008 until 2017. From 2005 until 2008, Ms. Ziegler served as Senior Vice President, Administration and Chief Financial Officer of Sara Lee Food and Beverage, a division of Sara Lee Corporation ( Sara Lee ). From 2003 until 2005, she served as Chief Financial Officer of Sara Lee Bakery Group. From 2000 until 2003, she served as Senior Vice President, Corporate Development of Sara Lee.

**Specific Experience and Qualifications:**

| | |
|---|---|
| *Corporate Management Experience and Financial Literacy* | Served in senior leadership positions with large organizations and has experience with corporate management issues, including preparing or overseeing the preparation of financial statements |
| *Chief Financial Officer Experience* | Possesses financial acumen and an understanding of financial matters and the preparation and analysis of financial statements |
| *Industry Experience* | Served in senior leadership positions with companies in the consumer products industry |
| *Corporate Governance Experience* | Gained experience in corporate governance through service as a director of other public companies |

**Table of Contents**

# How We Select our Directors

## Process for Nominating Potential Director Candidates

The Governance and Nominating Committee is responsible for screening potential director candidates and recommending qualified candidates to the full Board of Directors for nomination. The Governance and Nominating Committee will consider director candidates proposed by the Chief Executive Officer, by any director or by any stockholder. From time to time, the Governance and Nominating Committee also retains search firms to assist it in identifying and evaluating director nominees. In evaluating potential director candidates, the Governance and Nominating Committee seeks to present candidates to the Board of Directors who have distinguished records of leadership and success in their arena of activity and who will make substantial contributions to the Board of Directors. The Governance and Nominating Committee considers the qualifications listed in our Corporate Governance Guidelines, which include:

- personal and professional ethics and integrity;
- diversity among the existing Board members, including racial and ethnic background and gender;
- specific business experience and competence, including whether the candidate has experience in, and possesses an understanding of, business issues applicable to the success of a large publicly-traded company and whether the candidate has served in policy-making roles in business, government, education or other areas that are relevant to our global activities;
- financial acumen, including whether the candidate, through education or experience, has an understanding of financial matters and the preparation and analysis of financial statements;
- the ability to represent our stockholders as a whole;
- professional and personal accomplishments, including involvement in civic and charitable activities;
- experience with enterprise level risk management;
- educational background; and
- whether the candidate has expressed a willingness to devote sufficient time to carrying out his or her duties and responsibilities effectively and is committed to service on the Board of Directors.

Any recommendation submitted by a stockholder to the Governance and Nominating Committee should include information relating to each of the qualifications outlined above concerning the potential candidate along with the other information required by our bylaws for stockholder nominations. The Governance and Nominating Committee applies the same standards in evaluating candidates submitted by stockholders as it does in evaluating candidates submitted by other sources. Suggestions regarding potential director candidates, together with the required information described above, should be submitted in writing to Hanesbrands Inc., 1000 East Hanes Mill Road, Winston-Salem, North Carolina 27105, Attention: Corporate Secretary. Stockholders who want to directly nominate a director for consideration at next year s Annual Meeting should refer to the procedures described under Stockholder Proposals and Director Nominations for Next Annual Meeting on page 64.

Although we do not have a standalone policy regarding diversity in the nomination process, as noted above, diversity is one of the criteria that our Corporate Governance Guidelines require that our Governance and Nominating Committee consider in identifying and evaluating director nominees. In applying this criteria, the Governance and Nominating Committee and the Board consider diversity to also include differences of viewpoint, professional experience, education, skill and other individual qualities and attributes that contribute to an active, effective Board. The Governance and Nominating Committee evaluates the effectiveness of its activities under this policy through its annual review of Board composition, which considers whether the current composition of the Board adequately reflects the balance of qualifications discussed above, including diversity, prior to recommending nominees for election. In this regard, the Board believes that its efforts have been effective based on the current composition of the Board.

Our Corporate Governance Guidelines provide that no director may stand for re-election to the Board of Directors after he or she has reached the age of 72. However, our Governance and Nominating Committee has the authority to extend the retirement age of an individual director for up to two periods of one year each.

## Director Independence

In order to assist our Board of Directors in making the independence determinations required by New York Stock Exchange ( NYSE ) listing standards, the Board of Directors has adopted categorical standards of independence. These standards, which are contained in our Corporate Governance Guidelines, are available on our corporate website, *www.Hanes.com/investors* (in the Investors section). Eight of the ten current members of our Board of Directors, Mr. Griffin, Mr. Johnson, Ms. Mathews, Mr. Moison, Mr. Moran, Mr. Nelson, Mr. Singer and Ms. Ziegler, are independent under NYSE listing standards and under our Corporate Governance Guidelines. In determining director independence, the Board of Directors did not discuss, and was not aware of, any related person transactions, relationships or arrangements that existed with respect to any of these directors.

**Table of Contents**

Our Audit Committee s charter requires that all of the members of the Audit Committee be independent under NYSE listing standards and the rules of the Securities Exchange Commission ( SEC ). The Board has determined that each of the members of our Audit Committee is an independent director under NYSE listing standards and meets the standards of independence applicable to audit committee members under applicable SEC rules. The Board has also determined that each of Messrs. Moran and Singer qualifies as an audit committee financial expert under applicable SEC rules.

Our Compensation Committee s charter requires that all of the members of the Compensation Committee be independent under NYSE listing standards, including the enhanced independence requirements applicable to Compensation Committee members, non-employee directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act ), and outside directors within the meaning of Section 162(m) of the Internal Revenue Code and the regulations thereunder. The Board has determined that each of the members of our Compensation Committee is an independent director under NYSE listing standards, a non-employee director within the meaning of Rule 16b-3 under the Exchange Act and an outside director within the meaning of Section 162(m) of the Internal Revenue Code.

Our Governance and Nominating Committee s charter requires that all of the members of the Governance and Nominating Committee be independent under NYSE listing standards. The Board has determined that each of the members of our Governance and Nominating Committee is an independent director under NYSE listing standards.

## The Board s Role and Responsibilities

### Overview

The Board of Directors is elected by our stockholders to oversee their interests in the long-term health and the overall success of the Company s business. The Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with our stockholders. The Board oversees the business of the Company, as conducted by the members of Hanesbrands senior management. In carrying out its responsibilities, the Board reviews and assesses Hanesbrands long-term strategy and its strategic, competitive and financial performance.

In 2017, our Board of Directors met six times and also held regularly scheduled executive sessions without management, presided over by our Lead Director. In addition, during 2017 our Audit Committee met five times, our Compensation Committee met four times and our Governance and Nominating Committee met four times. Directors are expected to make every effort to attend the Annual Meeting, all Board meetings and the meetings of the Committees on which they serve. All of our directors at the time of our 2017 Annual Meeting of Stockholders attended that Annual Meeting. In 2017, each director also attended over 75% of the meetings of the Board and the Committees of which he or she was a member.

### Risk Oversight

The Board as a whole is ultimately responsible for the oversight of our risk management function. The Board uses its committees to assist in its risk oversight function as follows:

**The Board** has delegated primary responsibility for the oversight of Hanesbrands risk management function to the Audit Committee.

| | | |
|---|---|---|
| The **Audit Committee** discusses policies with respect to risk assessment and risk management, including significant financial risk exposures and the steps our management has taken to monitor, control and report such exposures. Management of Hanesbrands undertakes, and the Audit Committee reviews and discusses, an annual assessment of Hanesbrands risks on an | The **Compensation Committee** is responsible for the oversight of risk associated with our compensation practices and policies. | The **Governance and Nominating Committee** is responsible for the oversight of Board processes and corporate governance related risks. |

enterprise-wide basis.

Our Board of Directors maintains overall responsibility for oversight regarding the work of its various committees by receiving regular reports from the committee Chairs of the work performed by their respective committees. In addition, discussions with the Board about the Company s strategic plan, consolidated business results, capital structure, acquisition-related activities and other business include consideration of the risks associated with the particular item under consideration.

**Table of Contents**

### Talent Management and Succession Planning

On an annual basis, our Board plans for succession to the position of Chief Executive Officer, as well as to certain other senior management positions. To assist the Board, our Chief Executive Officer annually provides the Board with an assessment of executives holding those senior management positions and of their potential to succeed him. Our Chief Executive Officer also provides the Board with an assessment of persons considered potential successors to those senior managers. The Board considers that information and their own impressions of senior management performance in planning for succession in key positions.

### Communicating with our Board of Directors

Any stockholders or interested parties who wish to communicate directly with our Board, with our non-management directors as a group or with our Lead Director, may do so by writing to Hanesbrands Inc., 1000 East Hanes Mill Road, Winston-Salem, North Carolina 27105, Attention: Corporate Secretary. Stockholders and other interested parties also may communicate with members of the Board by sending an e-mail to our Corporate Secretary at corporate.secretary@hanes.com. To ensure proper handling, any mailing envelope or e-mail containing the communication intended for the Board must contain a clear notation indicating that the communication is a Stockholder/Board Communication or an Interested Party/Board Communication.

The Governance and Nominating Committee has approved a process for handling letters received by the Company and addressed to the Board, the Lead Director or to independent members of the Board. Under that process, our Corporate Secretary reviews all such correspondence and regularly forwards to the Board copies of all correspondence that, in her opinion, deals with the functions of the Board or its Committees or that she otherwise determines requires their attention. Advertisements, solicitations for business, requests for employment, requests for contributions, matters that may be better addressed by management or other inappropriate material will not be forwarded to our directors.

## Board Structure and Processes

### Board Leadership Structure

Our current Board leadership structure consists of:

- Chairman of the Board: Richard A. Noll;
- Chief Executive Officer: Gerald W. Evans, Jr.;
- Lead Independent Director: Ronald L. Nelson; and
- Fully independent Audit, Compensation and Governance and Nominating Committees.

Our Corporate Governance Guidelines provide that the Governance and Nominating Committee will from time to time consider whether the positions of Chairman of the Board and Chief Executive Officer should be held by the same person or by different persons. The Board determined to split the roles of Chief Executive Officer and Chairman when Mr. Noll stepped down from the role of Chief Executive Officer in October 2016. However, the Board does not currently have a requirement that the roles of Chief Executive Officer and Chairman of the Board be separated, because the Board believes it is in the best interests of our Company to make this determination based on the position and direction of our Company and the constitution of the Board and management team from time to time.

The Board believes that the 2016 implementation of a carefully considered executive leadership succession plan demonstrates that the Board takes seriously its responsibility to determine who should serve as Chairman at any point in time in light of the specific circumstances facing our Company. After careful consideration, the Board determined that having Mr. Noll serve as Chairman is in the best interest of the Company and its stockholders at this time. Mr. Noll, who served as the Company s Chairman and Chief Executive Officer until October 1, 2016, served as our Executive Chairman from 2016 to 2017 and transitioned to non-executive Chairman effective January 1, 2018. Mr. Noll s knowledge of our Company s operations and strategy provide a valuable resource to both the Board and Mr. Evans. In addition, Mr. Noll has significant knowledge of the people, information and resources necessary to facilitate effective communication between management and the Board, which contributes to an efficient and effective Board.

**Table of Contents**

Mr. Nelson has served as our Lead Director since 2015. The Lead Director and other independent directors actively oversee Mr. Evans management of our operations and execution of strategies set by the Board. They also take an active role in overseeing Hanesbrands management and key issues related to strategy, risk, integrity, compensation and governance. For example, only independent directors serve on the Audit Committee, Compensation Committee and Governance and Nominating Committee. Non-management and independent directors regularly hold executive sessions outside the presence of our Chief Executive Officer and other Hanesbrands employees. Finally, as detailed in the following summary, the Lead Director has many important duties and responsibilities that enhance the independent oversight of management.

The Lead Director chairs all meetings of the non-management and independent directors in executive session and also has other authority and responsibilities, including:

- presiding at all meetings of the Board of Directors in the absence of, or upon the request of, the Chairman of the Board;
- advising the Chairman of the Board and/or the Corporate Secretary regarding the agendas for meetings of the Board of Directors;
- calling meetings of the non-management and/or independent directors, with appropriate notice;
- advising the Governance and Nominating Committee and the Chairman of the Board on the membership of the various Board committees and the selection of committee chairs;
- advising the Chairman of the Board on the retention of advisors and consultants who report directly to the Board of Directors;
- advising the Chairman of the Board and Chief Executive Officer, as appropriate, on issues discussed at executive sessions of non-management and/or independent directors;
- with the Chairman of the Compensation Committee, reviewing with the Chief Executive Officer the non-management directors annual evaluation of his performance;
- serving as principal liaison between the non-management and/or independent directors, as a group, and the Chairman of the Board, as necessary;
- serving as principal liaison between the Board of Directors and Hanesbrands stockholders, as appropriate, after consultation with the Chief Executive Officer; and
- selecting an interim lead independent director to preside over meetings at which he cannot be present.

We believe our Board s current leadership structure is best suited to the needs of the Company at this time.

## Board and Committee Evaluation Process

The Board has established a robust self-evaluation process for the Board and its committees. Our Corporate Governance Guidelines require the Board to annually evaluate its own performance. In addition, the charters of each of the Audit Committee, Compensation Committee and Governance and Nominating Committee require the committee to conduct an annual performance evaluation. The Governance and Nominating Committee oversees the annual self-assessment process on behalf of the Board and the implementation of the annual self-assessments by the committees.

Each year, all Board members and all members of the Audit, Compensation and Governance and Nominating Committees complete a detailed confidential questionnaire. The questionnaire provides for quantitative ratings in key areas and also seeks comments from the directors. The Chair of the Governance and Nominating Committee reviews the responses with the chairs of the Audit and Compensation Committees. The Chair of the Governance and Nominating Committee also discusses the Board self-evaluation with the full Board. Matters requiring follow-up are addressed by the Chair of the Governance and Nominating Committee or the chairs of the Audit or Compensation Committee, as appropriate.

**Table of Contents**

## Committees of the Board of Directors

Our Board of Directors has three standing committees: the Audit Committee, the Compensation Committee and the Governance and Nominating Committee. The following is a list of current committee memberships, which is accompanied by a description of each committee. The directors who are nominated for election as directors at the Annual Meeting will, if re-elected, retain the committee memberships described in the following list immediately following the Annual Meeting, and the chairs of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee will also remain the same.

| Audit Committee | Compensation Committee | Governance and Nominating Committee |
|---|---|---|
| Jessica T. Mathews | Bobby J. Griffin | Bobby J. Griffin |
| Franck J. Moison | James C. Johnson | James C. Johnson* |
| Robert F. Moran* | Ronald L. Nelson | Ronald L. Nelson |
| David V. Singer | Ann E. Ziegler* | Ann E. Ziegler |

*Chair of the committee

## AUDIT COMMITTEE

| | | |
|---|---|---|
| Members: | Mr. Moran, Chair<br>Ms. Mathews<br>Mr. Moison<br>Mr. Singer | The Audit Committee is responsible for assisting the Board of Directors in fulfilling its oversight of:<br>the integrity of our financial statements, financial reporting process and systems of internal accounting and financial controls;<br>our compliance with legal and regulatory requirements;<br>the independent auditors qualifications and independence; and<br>the performance of our internal audit function and independent auditor.<br>The Audit Committee is also responsible for discussing policies with respect to risk assessment and risk management, including significant financial risk exposures and the steps our management has taken to monitor, control and report such exposures. |

Under SEC rules and the Audit Committee s charter, the Audit Committee must prepare a report that is to be included in our proxy statement relating to the annual meeting of stockholders or annual report on Form 10-K. This report is provided under Audit Committee Report on page 27. In addition, the Audit Committee must review and discuss our annual audited financial statements and quarterly financial statements with management and the independent auditor and recommend, based on its review, that the Board of Directors include the annual financial statements in our annual report on Form 10-K.

**Table of Contents**

## COMPENSATION COMMITTEE

The Compensation Committee is responsible for assisting the Board of Directors in discharging its responsibilities relating to the compensation of our executive officers and the Chief Executive Officer performance evaluation process and for preparing a report on executive compensation that is to be included in our proxy statement relating to our annual meeting of stockholders. This report is provided under Compensation Committee Report on page 34.

The Compensation Committee is also responsible for:

- reviewing and approving the total compensation philosophy covering our executive officers and other key executives and periodically reviewing an analysis of the competitiveness of our total compensation practices in relation to those of our peer group;
- with respect to our executive officers other than the Chief Executive Officer, reviewing and approving the base salaries, salary ranges and the salary increase program pursuant to our executive salary administration program, the applicable standards of performance to be used in incentive compensation plans and the grant of equity incentives;
- recommending changes in non-employee director compensation to the Board of Directors;
- reviewing proposed stock incentive plans, other long-term incentive plans, stock purchase plans and other similar plans, and all proposed changes to such plans;
- reviewing the results of any stockholder advisory votes regarding our executive compensation and recommending to the Board how to respond to such votes; and
- recommending to the Board whether to have an annual, biannual or triennial advisory stockholder vote regarding executive compensation.

The Chief Executive Officer s compensation is approved by the independent members of the Board of Directors, upon the Compensation Committee s recommendation.

Members: Ms. Ziegler, Chair
Mr. Griffin
Mr. Johnson
Mr. Nelson

*Compensation Committee Interlocks and Insider Participation.* All members of the Compensation Committee during our 2017 fiscal year were independent directors, and no member was an employee or former employee of Hanesbrands. During our 2017 fiscal year, no member of the Compensation Committee had a relationship that must be described under SEC rules relating to disclosure of related party transactions and no interlocking relationship existed between our Board of Directors or Compensation Committee and the board of directors or compensation committee of any other company.

**Table of Contents**

## GOVERNANCE AND NOMINATING COMMITTEE

| | | |
|---|---|---|
| Members: | Mr. Johnson, Chair<br>Mr. Griffin<br>Mr. Nelson<br>Ms. Ziegler | The Governance and Nominating Committee is responsible for:<br>identifying individuals qualified to serve on the Board of Directors, consistent with criteria approved by the Board of Directors;<br>recommending that the Board of Directors select a slate of director nominees for election by our stockholders at our annual meeting of stockholders, in accordance with our charter and bylaws and with Maryland law;<br>recommending candidates to the Board of Directors to fill vacancies on the Board or on any committee of the Board in accordance with our charter and bylaws and with Maryland law;<br>evaluating and recommending to the Board of Directors a set of corporate governance policies and guidelines to be applicable to the Company;<br>re-evaluating periodically such policies and guidelines for the purpose of suggesting amendments to them as appropriate; and<br>overseeing annual Board and committee self-evaluations in accordance with NYSE listing standards. |

# Director Compensation

### Annual Compensation

We compensated each non-employee director for service on our Board of Directors during 2017 as follows:

- an annual cash retainer of $95,000, paid in quarterly installments;
- an additional annual cash retainer of $20,000 for the chair of the Audit Committee (Mr. Moran), $20,000 for the chair of the Compensation Committee (Ms. Ziegler) and $20,000 for the chair of the Governance and Nominating Committee (Mr. Johnson);
- an additional annual cash retainer of $5,000 for each member of the Audit Committee other than the chair (Ms. Mathews, Mr. Moison and Mr. Singer);
- an additional annual cash retainer of $25,000 for the Lead Director (Mr. Nelson);
- an annual grant of restricted stock units with a grant date fair value of approximately $130,000 that vest on the one-year anniversary of the grant date and are payable upon vesting in shares of Hanesbrands common stock; and
- reimbursement of customary expenses for attending Board, committee and stockholder meetings.

Mr. Noll, who served as Executive Chairman during 2017, was paid a base salary of $1,200,000 and received an annual grant of restricted stock units with a grant date fair value of approximately $2,500,000 that vest 33%, 33% and 34% on the first anniversary, second anniversary and third anniversary, respectively, of the date of grant and are payable upon vesting in shares of Hanesbrands common stock. In his capacity as Executive Chairman, Mr. Noll was also eligible to participate in our other employee benefit plans and arrangements on the same terms as our named executive officers. See "Post Employment Compensation" on page 42 and "Benefit Plans and Arrangements" on page 43 for a discussion of these programs.

Mr. Evans, our Chief Executive Officer, receives no additional compensation for serving as a director.

In December 2017, after reviewing information about the compensation paid to non-employee directors at our peer group companies (our peer group companies are discussed in "How the Compensation Committee uses Peer Groups" on page 36), the Compensation Committee recommended, and the Board of Directors approved: (i) an increase in the annual cash retainer from $95,000 to $100,000; (ii) an increase in the grant date fair value of the annual grant of restricted stock units from $130,000 to $140,000; (iii) an increase in the additional cash retainer for the Lead Director from $25,000 to $30,000; (iv) an increase in the additional cash retainer for the chair of the Audit Committee from $20,000 to $25,000; and (v) an additional annual cash retainer of $200,000 for the non-executive Chairman of the Board. The annual grant of restricted stock units for 2018 was made on December 12, 2017 and is reflected in the non-employee directors' compensation for 2017.

**Table of Contents**

The following table summarizes the compensation paid to Mr. Noll and our non-employee directors during the fiscal year ended December 30, 2017.

## Director Compensation — 2017

| Name | Fees Earned or Paid in Cash ($) (1) | Stock Awards ($) (2) (3) (4) | Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(5) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|---|
| **Richard A. Noll** | $ 1,200,000 | $ 140,009 | $ 67,638 | $ 218,260 | $ 1,625,907 |
| **Ronald L. Nelson** | 120,000 | 140,009 | — | — | 260,009 |
| **James C. Johnson** | 115,000 | 140,009 | — | — | 255,009 |
| **Robert F. Moran** | 115,000 | 140,009 | — | — | 255,009 |
| **Ann E. Ziegler** | 108,333 | 140,009 | — | — | 248,342 |
| **Jessica T. Mathews** | 100,000 | 140,009 | — | — | 240,009 |
| **Franck J. Moison** | 100,000 | 140,009 | — | — | 240,009 |
| **David V. Singer** | 100,000 | 140,009 | — | — | 240,009 |
| **Bobby J. Griffin** | 97,917 | 140,009 | — | — | 237,926 |
| **Andrew J. Schindler (6)** | 38,333 | — | — | — | 38,333 |

(1) Amounts shown include deferrals to the Hanesbrands Inc. Non-Employee Director Deferred Compensation Plan.

(2) The dollar values shown reflect the aggregate grant date fair value of awards during 2017, computed in accordance with Topic 718 of the FASB Accounting Standards Codification. The assumptions we used in valuing these awards are described in Note 6, “Stock-Based Compensation,” to our consolidated financial statements included in our annual report on Form 10-K for the fiscal year ended December 30, 2017.

(3) Amounts shown represent the grant date fair value of the annual grant of restricted stock units which was made on December 12, 2017 to Mr. Noll and each non-employee director serving on that date in consideration of his or her service on the Board of Directors in 2018. Equity awards are approved as a dollar amount, which on the grant date is converted into a specific whole number of restricted stock units. The restricted stock units vest on the one-year anniversary of the grant date and are payable immediately upon vesting in shares of our common stock on a one-for-one basis. As of December 30, 2017, Mr. Noll held 124,552 restricted stock units and 175,896 performance stock units. The number of restricted stock units held by each then-current non-employee director as of December 30, 2017 was 6,683. Mr. Schindler did not hold any restricted stock units as of December 30, 2017.

(4) As of December 30, 2017, (i) Mr. Noll held stock options to purchase 276,276 shares of common stock and (ii) Ms. Ziegler held stock options to purchase 22,572 shares of common stock. No other non-employee director holds stock options.

(5) In his capacity as Executive Chairman, Mr. Noll was eligible to participate in our employee benefit plans and arrangements on the same terms as our named executive officers. See “Post Employment Compensation” on page 42 and “Benefit Plans and Arrangements” on page 43 for a discussion of these programs. Increases in pension values are determined for the periods presented; because the defined benefit arrangements are frozen, the amounts shown in this column represent solely the increase in the actuarial value of pension benefits previously accrued as of December 31, 2005.

(6) Andrew J. Schindler reached the mandatory retirement age under our Corporate Governance Guidelines and did not stand for re-election at the 2017 Annual Meeting of Stockholders. Consequently, Mr. Schindler ceased serving as a director on April 25, 2017.

### Director Deferred Compensation Plan

Under the Hanesbrands Inc. Non-Employee Director Deferred Compensation Plan (the “Director Deferred Compensation Plan”), a nonqualified, unfunded deferred compensation plan, our non-employee directors may defer receipt of all (but not less than all) of their cash retainers and/or awards of restricted stock units. None of the investment options available in the Director Deferred Compensation Plan provide for “above-market” or preferential earnings as defined in applicable SEC rules. The amount payable to a participant will be payable either on the distribution date elected by the participant or upon the occurrence of certain events as provided under the Director Deferred Compensation Plan.

### Director Stock Ownership and Retention Guidelines

We believe that all of our directors should have a significant ownership position in Hanesbrands. To this end, our non-employee directors receive a substantial portion of their compensation in the form of restricted stock units. In addition, to promote equity ownership and further align the interests of these directors with our stockholders, we have adopted stock ownership and retention guidelines for our non-employee directors. A non-employee director may not dispose of any shares of our common stock until such director holds shares of common stock with a value equal to at least five times the current annual equity retainer, and may then only

**Table of Contents**

dispose of shares in excess of those with that value. In addition to vested shares directly held by a non-employee director, shares held for such director in the Director Deferred Compensation Plan (including hypothetical share equivalents held in that plan) will be counted for purposes of determining whether the ownership requirements are met. All of our directors are in compliance with these stock ownership and retention guidelines.

## Other Governance Information

### Related Person Transactions

Our Board of Directors has adopted a written policy setting forth procedures to be followed in connection with the review, approval or ratification of "related person transactions." For purposes of this policy, the phrase "related person transaction" refers to any financial transaction, arrangement or relationship where: (i) Hanesbrands or any of its subsidiaries is a participant; (ii) any greater than five percent stockholder, director, nominee for director or executive officer, or any of their immediate family members or affiliated entities, has a direct or indirect material interest; (iii) the aggregate amount involved will or may be expected to exceed $120,000 in any fiscal year; and (iv) disclosure would be required under Item 404 of Regulation S-K and related SEC rules.

Each director, director nominee and executive officer must promptly notify our Chief Executive Officer and our Corporate Secretary in writing of any material interest that such person or an immediate family member or affiliated entity of such person had, has or will have in a related person transaction. The Governance and Nominating Committee is responsible for the review and approval or ratification of all related person transactions involving a director, director nominee or executive officer. At the discretion of the Governance and Nominating Committee, the consideration of a related person transaction may be delegated to the full Board of Directors, another standing committee or to an ad hoc committee of the Board of Directors comprised of at least three members, none of whom has an interest in the transaction.

The Governance and Nominating Committee, or other governing body to which approval or ratification is delegated, may approve or ratify a transaction if it determines, in its business judgment, based on its review of the available information, that the transaction is fair and reasonable to us and consistent with our best interests. Factors to be taken into account in making a determination of fairness and reasonableness may include:

- the business purpose of the transaction;
- whether the transaction is entered into on an arm's-length basis on terms fair to us; and
- whether such a transaction would violate any provisions of our Global Code of Conduct.

If the Governance and Nominating Committee decides not to approve or ratify a transaction, the transaction may be referred to legal counsel for review and consultation regarding possible further action, including, but not limited to, termination of the transaction on a prospective basis, rescission of such transaction or modification of the transaction in a manner that would permit it to be ratified and approved by the Governance and Nominating Committee.

During 2017, there were no related person transactions requiring reporting under SEC rules.

### Code of Ethics

Our Global Code of Conduct, which serves as our code of ethics, applies to all directors and officers and other employees of the Company and its subsidiaries. Any waiver of applicable requirements in the Global Code of Conduct that is granted to any of our directors, to our principal executive officer, to any of our senior financial officers (including our principal financial officer, principal accounting officer or controller) or to any other person who is an executive officer of Hanesbrands requires the approval of the Audit Committee. Any such waiver of or amendment to the Global Code of Conduct will be disclosed on our corporate website, *www.Hanes.com/investors* (in the "Investors" section) or in a current report on Form 8-K.

### Corporate Governance Documents

Copies of the written charters for the Audit Committee, Compensation Committee and Governance and Nominating Committee, as well as our Corporate Governance Guidelines, Global Code of Conduct and other corporate governance information are available on our corporate website, *www.Hanes.com/investors* (in the "Investors" section).

**Table of Contents**

## Audit Information

The Audit Committee is directly responsible for the appointment (subject to ratification by the Company's stockholders), retention, compensation, evaluation, oversight and termination the Company's independent auditor. The Audit Committee has appointed PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") as our independent registered public accounting firm for our 2018 fiscal year. While not required by law, the Board of Directors is asking our stockholders to ratify the selection of PricewaterhouseCoopers as a matter of good corporate practice.

If the appointment of PricewaterhouseCoopers as our independent registered public accounting firm for our 2018 fiscal year is not ratified by our stockholders, the adverse vote will be considered a direction to the Audit Committee to consider another independent registered public accounting firm for next year. However, because of the difficulty in making any substitution of our independent registered public accounting firm so long after the beginning of the current year, the appointment for our 2018 fiscal year will stand, unless the Audit Committee finds other good reason for making a change.

PricewaterhouseCoopers has served as the Company's independent registered public accounting firm since July 1, 2006. In order to ensure continuing auditor independence, the Audit Committee periodically considers whether there should be a regular rotation of our independent registered public accounting firm. In addition, in conjunction with the mandated rotation of PricewaterhouseCoopers' lead engagement partner, the Audit Committee oversees and confirms the selection of PricewaterhouseCoopers' new lead engagement partner. The members of the Audit Committee and the Board believe that the continued retention of PricewaterhouseCoopers as the Company's independent registered public accounting firm is in the best interests of the Company and its stockholders.

Representatives of PricewaterhouseCoopers are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions. For additional information regarding our relationship with PricewaterhouseCoopers, please refer to "Relationship with Independent Registered Public Accounting Firm" on page 28.

Our Board of Directors unanimously recommends a vote **FOR** ratification of the appointment of PricewaterhouseCoopers as our independent registered public accounting firm for our 2018 fiscal year.

**Table of Contents**

## Audit Committee Report

Hanesbrands' Audit Committee is composed solely of independent directors meeting the requirements of applicable SEC and NYSE rules. Each of the members of the Audit Committee is independent and financially literate as required under applicable SEC rules and NYSE listing standards. In addition, the Board of Directors has determined that Mr. Moran and Mr. Singer possess the experience and qualifications required of an "audit committee financial expert" as defined by the rules of the SEC. No member of the Audit Committee serves on the audit committees of more than three public companies.

The key responsibilities of the Audit Committee are set forth in its charter, a copy of which is available on our corporate website, *www.Hanes.com/investors* (in the "Investors" section). The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight of:

- the integrity of the Company's financial statements, financial reporting process and systems of internal accounting and financial controls;
- the Company's compliance with legal and regulatory requirements;
- the independent auditor's qualifications and independence; and
- the performance of the Company's internal audit function and independent auditor.

Management is primarily responsible for establishing and maintaining adequate internal financial controls, for preparing the financial statements and for the public reporting process. PricewaterhouseCoopers, the Audit Committee-appointed independent registered public accounting firm for the fiscal year ended December 30, 2017, is responsible for expressing an opinion on the conformity of Hanesbrands' audited financial statements with accounting principles generally accepted in the United States of America. In addition, PricewaterhouseCoopers expresses its opinion on the effectiveness of Hanesbrands' internal control over financial reporting.

In this context, the Audit Committee:

- Reviewed and discussed with management and PricewaterhouseCoopers the audited financial statements for the fiscal year ended December 30, 2017 (the "2017 Financial Statements") and audit of internal control over financial reporting;
- Discussed with PricewaterhouseCoopers the matters required to be discussed by the Statement of Auditing Standards No. 61 (Communication with Audit Committees), as amended by the AICPA professional standards, vol. 1 AU section 380, as adopted by the Public Company Oversight Board in Rule 3200T, which include, among other items, matters related to the conduct of the audit of the 2017 Financial Statements; and
- Received the written disclosures and the letter from PricewaterhouseCoopers required by applicable requirements of the Public Company Accounting Oversight Board regarding their communications with the Audit Committee concerning independence and discussed with PricewaterhouseCoopers their independence from Hanesbrands.

Based on the foregoing review and discussions, the Audit Committee recommended to the Board of Directors that the 2017 Financial Statements as audited by PricewaterhouseCoopers be included in Hanesbrands' Annual Report on Form 10-K for the fiscal year ended December 30, 2017.

*By the members of the*
*Audit Committee, consisting of:*

Robert F. Moran, Chair  Jessica T. Mathews  Franck J. Moison  David V. Singer

**Table of Contents**

## Relationship with Independent Registered Public Accounting Firm

The following table sets forth the fees billed to us by PricewaterhouseCoopers for services in the fiscal years ended December 30, 2017 and December 31, 2016:

| | Fiscal Year Ended December 30, 2017 | Fiscal Year Ended December 31, 2016 |
|---|---|---|
| **Audit fees** | $5,677,162 | $5,929,140 |
| **Audit-related fees** | 115,278 | 91,800 |
| **Tax fees** | 333,595 | 704,095 |
| **All other fees** | — | — |
| **Total fees** | $6,126,035 | $6,725,035 |

In the above table, in accordance with applicable SEC rules, "Audit fees" include fees billed for professional services for the audit of our consolidated financial statements included in our annual report on Form 10-K and review of our financial statements included in our quarterly reports on Form 10-Q, fees billed for services that are normally provided by the principal accountant in connection with statutory and regulatory filings or engagements, fees related to services rendered in connection with securities offerings and fees for the audit of our internal control over financial reporting and consultations concerning financial accounting and reporting standards.

"Audit-related fees" are fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under the caption "Audit fees." For the fiscal years ended December 30, 2017 and December 31, 2016, these fees primarily relate to attestation services rendered in connection with regulatory filings in certain foreign jurisdictions and various other services.

"Tax fees" for the fiscal years ended December 30, 2017 and December 31, 2016 include consultation, preparation and compliance services for domestic and certain foreign jurisdictions and consulting related to research and development credits.

Our Audit Committee pre-approves all services, including both audit and non-audit services, provided by our independent registered public accounting firm. For audit services (including statutory audit engagements as required under local country laws), the independent registered public accounting firm provides the Audit Committee with an engagement letter outlining the scope of the audit services proposed to be performed during the year. The independent registered public accounting firm also submits an audit services fee proposal, which is approved by the Audit Committee before the audit commences. The Audit Committee may delegate the authority to pre-approve audit and non-audit engagements and the related fees and terms with the independent auditors to one or more designated members of the Audit Committee, as long as any decision made pursuant to such delegation is presented to the Audit Committee at its next regularly scheduled meeting. All audit and permissible non-audit services provided by PricewaterhouseCoopers to us during the fiscal years ended December 30, 2017 and December 31, 2016 were pre-approved by the Audit Committee.

**Table of Contents**

Hanesbrands' stockholders have the opportunity to cast a non-binding, advisory "say on pay" vote on our named executive officer compensation, as disclosed in this proxy statement. Based on the results of the stockholder advisory vote on the frequency of say on pay votes, which was held at the 2017 Annual Meeting of Stockholders, and based on the Board of Directors' recommendation, Hanesbrands currently intends to hold such votes on an annual basis.

At our 2017 Annual Meeting of Stockholders, our stockholders overwhelmingly approved the compensation of Hanesbrands' named executive officers with over 93% support. Our Board of Directors, and the Compensation Committee in particular, considered several factors in determining that the fundamental characteristics of Hanesbrands' executive compensation program should continue this year, including the strong support of our stockholders, the executive compensation programs of our peer group companies, our past operating performance and planned strategic initiatives.

We believe that our executive compensation philosophy, practices and policies have three essential characteristics. They are:

- focused on aligning senior management and stockholder interests in a simple, quantifiable and unifying manner;
- necessary to attract, retain and motivate the executive team to support the attainment of our business strategy and operating imperatives; and
- reasonable in comparison to our peer group companies.

Stockholders are encouraged to review the "Compensation Discussion and Analysis" section beginning on page 30 for more information on our executive compensation program.

This advisory vote is not intended to address any specific element of compensation; rather, it relates to the overall compensation of our named executive officers, as well as the compensation philosophy, practices and policies described in this proxy statement. We are asking stockholders to approve the following advisory resolution:

*"RESOLVED, that the stockholders approve the compensation of Hanesbrands' named executive officers as disclosed in the proxy statement for Hanesbrands' 2018 Annual Meeting of Stockholders, including the Compensation Discussion and Analysis and the executive compensation tables and related footnotes and narrative."*

Because this vote is advisory, it will not be binding on us or our Board of Directors, overrule any decision made by the Board of Directors or the Compensation Committee or create or imply any additional duty for the Board. We recognize, nonetheless, that our stockholders have a fundamental interest in Hanesbrands' executive compensation practices.Thus, the Compensation Committee may take into account the outcome of the vote when considering future executive compensation arrangements.

Our Board of Directors unanimously recommends a vote **FOR** approval, on an advisory basis, of the compensation of Hanesbrands' named executive officers.

**Table of Contents**

# Compensation Discussion and Analysis

## Compensation Highlights

### Business Strategies and Priorities

Hanesbrands is a socially responsible leading marketer of everyday basic innerwear and activewear apparel in the Americas, Europe, Australia and Asia-Pacific under some of the world's strongest apparel brands, including *Hanes, Champion, Bonds, Maidenform, DIM, Bali, Playtex, JMS/Just My Size, Nur Die/Nur Der, L'eggs, Lovable, Wonderbra, Berlei, Gear for Sports* and *Alternative*. We have a long history of innovation, product excellence and brand recognition, and we take great pride in our reputation for ethical business practices and the success of our *Hanes for Good* corporate responsibility program for community and environmental improvement.

Over the past decade, we have refined and strengthened our multi-faceted business model by implementing various strategies based on the underlying premise of Sell More, Spend Less and Generate Cash. These strategies include the globalization of our supply chain, our revenue and margin-enhancing Innovate-to-Elevate strategy and the implementation of a disciplined acquisition and capital allocation strategy.

These strategies have been extremely successful in driving solid financial results and setting the stage for future growth. Our strong cash flow will allow us to continue to pursue strategic acquisitions and investment that we believe will drive long-term stockholder returns. Our disciplined acquisition strategy is delivering incremental benefits to our stockholders not only through cost-saving synergies, but also through revenue diversification and organic growth opportunities. We are preparing for future growth through a number of strategic initiatives, including: (1) increased investment in our global portfolio of leading brands, including brand building and marketing support; (2) accelerated development of our global omnichannel capabilities, including online in the U.S. as well as online and retail in our international markets; (3) continued focus on strategic acquisitions that complement our current brands and provide revenue diversification both by channel and internationally; (4) further leveraging of our supply chain capabilities; and (5) expansion of our *Champion* brand globally.

### 2017 Performance Highlights

During 2017, we continued to deliver on our key strategic priorities in a challenging and highly competitive global environment. Key financial and strategic highlights included:

- Record net sales of $6.47 billion, with sales in the global online channel increasing 22 percent;
- Greater geographic diversity with record International segment sales of $2.1 billion, or 32 percent of total sales;
- The acquisition of Alternative Apparel and its *Alternative* lifestyle brand known for its social responsibility and better basic T-shirts and fleece; and
- Expansion across brands and geographies of our FreshIQ, X-Temp and ComfortFlex Fit innovation platforms.

### Executive Compensation Philosophy and Framework

At Hanesbrands, we emphasize a "pay-for-performance" culture, linking a substantial percentage of an executive's compensation to our performance and stockholders' value growth. Specifically:

- To motivate our executive officers and align their interests with those of our stockholders, we provide annual incentives designed to reward our executive officers for the attainment of short-term goals and long-term incentives designed to reward them for increasing stockholder value over time.
- Performance-based and at-risk compensation represents nearly 75% of our named executive officers' total target direct compensation.
- In keeping with our pay for performance philosophy, we expect our executive officers to deliver overall results that exceed the target level of performance in order to receive above median market compensation. Performance below the target level of performance may result in below median market compensation.
- Our compensation program is designed to reward exceptional and sustained performance. By combining a three-year vesting period for equity awards with a mandatory one-year holding period following vesting (and policies prohibiting hedging or pledging of such shares), a substantial portion of the value of our executives' compensation package is tied to changes in our stock price, and therefore at-risk, for a significant period of time. The Compensation Committee believes this design provides an effective way to link executive compensation to long-term stockholder returns.

**Table of Contents**

## Elements of 2017 Compensation

Our named executive officers' compensation for 2017 consisted principally of the following elements:

| | | |
|---|---|---|
| **Base Salary** | Fixed compensation component<br>Reflects the individual responsibilities, performance and experience of each named executive officer | Provides a fixed base of cash compensation for fulfillment of fundamental job responsibilities |
| **Annual Incentive Plan ("AIP") Awards** | Performance-based cash compensation<br>Payout determined based on Company performance against pre-established metrics | Motivates performance by linking compensation to the achievement of key objectives that contribute to accomplishing consistent and strategic annual results |
| **Long-Term Incentive Program ("LTIP") Awards** | Performance-based and at-risk, time-vested compensation<br>Performance Share Awards ("PSAs") (50% of LTIP opportunity)<br>*Vesting on third anniversary of grant date*<br>*Number of shares received will range from 0% to 200% of the number of units granted based on 2017 Company performance against pre-established metrics*<br>Restricted Stock Unit Awards ("RSUs") (50% of LTIP opportunity)<br>*Ratable vesting over a three-year service period*<br>Mandatory one-year holding period following vesting for all LTIP awards | Encourages behavior that enhances the long-term growth, profitability and financial success of the Company, aligns executives' interests with our stockholders and supports retention objectives |

In addition, we provide health, welfare and retirement plans that promote employee health and support employees in attaining financial security. We also provide severance benefits under limited circumstances. These severance benefits, which provide our named executive officers with income protection in the event employment is terminated without cause or following a change in control, support our executive retention goals and encourage our named executive officers' independence and objectivity in considering potential change in control transactions. See "Post-Employment Compensation" on page 42 for additional details.

**Table of Contents**

## 2017 Compensation Mix

The mix of compensation elements that we offer is intended to further our goals of:

- achieving consistent and strategic annual results and long-term business objectives;
- using an appropriate mix of cash and equity;
- emphasizing a "pay-for-performance" culture;
- effectively managing the cost of pay programs; and
- providing a balanced total compensation program to ensure senior management is not encouraged to take unnecessary and excessive risks that may harm the Company.

Our emphasis on performance-based and at-risk pay is reflected in the following chart, which illustrates the average 2017 total target direct compensation mix for our Chief Executive Officer and our other named executive officers ("NEOs").

Performance-Based and At-Risk Compensation: 87.00%

Performance-Based and At-Risk Compensation: 74.90%

The percentage of our Chief Executive Officer's performance-based and at-risk compensation is the highest of our named executive officers, reflecting the position's highest level of responsibility and accountability for results. Performance-based and at-risk compensation comprises nearly 75% of all of our named executive officers' total target direct compensation. Because the value of such compensation depends on Hanesbrands' achievement of key annual results and strategic long-term business objectives and/or is tied to changes in our stock price, our named executive officers' actual compensation could be significantly less—or more—than the targeted levels.

**Table of Contents**

## 2017 Performance Criteria

The Compensation Committee chose to use net sales growth, diluted earnings per share from continuing operations, excluding actions ("EPS-XA") growth, and cash flow from operations as performance criteria for our named executive officers' 2017 performance-based pay opportunities, as follows:

## 2017 Results

*(Dollars in Thousands, except EPS-XA)*

| | Fiscal Year Ended | | |
|---|---|---|---|
| | December 30, 2017 | December 31, 2016 | % Change |
| **Net Sales** | $6,471,410 | $6,028,199 | 7.4% |
| **EPS-XA*** | $1.93 | $1.85 | 4.3% |
| **Cash flow from Operations** | $655,718 | $605,607 | 8.3% |

* As in prior years and consistent with the terms of our Omnibus Incentive Plan, in measuring the attainment of EPS-XA growth for 2017, the Compensation Committee excluded the impact of charges for acquisition, integration and other actions, and the cumulative effects of tax or accounting charges, each as identified in our financial statements or other SEC filings. EPS-XA is a non-GAAP financial measure which is used as a performance measure in our executive compensation programs. EPS-XA is defined as diluted earnings per share from continuing operations ("EPS"), excluding actions and the tax effect on actions. On a GAAP basis, EPS was $0.17 in 2017 and $1.40 in 2016. We have chosen to provide this non-GAAP financial measure to investors to enable additional analyses of past, present and future performance and as a supplemental means of evaluating company operations absent the effect of tax reform, acquisition-related expenses and other actions. For a reconciliation to GAAP EPS, see Appendix A.

As a result of our 2017 performance, each of our named executive officers earned, in the aggregate, 114.5% of the target amounts for their performance-based pay opportunities.

**Table of Contents**

### Best Practices in Executive Compensation

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

**Our practices include:**

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

**Our practices exclude:**

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

## Compensation Committee Report

The Compensation Committee reviews and approves Company compensation programs on behalf of the Board. In fulfilling its oversight responsibilities, the committee reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement. Based on that review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and Hanesbrands' Annual Report on Form 10-K.

*By the members of the*
*Compensation Committee, consisting of:*

Ann E. Ziegler, Chair Bobby J. Griffin James C. Johnson Ronald L. Nelson

**Table of Contents**

## Overview

This compensation discussion and analysis provides information about our compensation objectives and principles for our named executive officers, who for our 2017 fiscal year were:

| | |
|---|---|
| Gerald W. Evans, Jr. | Chief Executive Officer |
| Barry A. Hytinen | Chief Financial Officer effective October 16, 2017 |
| Richard D. Moss | Chief Financial Officer prior to October 16, 2017 |
| W. Howard Upchurch | Group President, Innerwear Americas |
| Joia M. Johnson | Chief Administrative Officer, General Counsel and Corporate Secretary |
| Michael E. Faircloth | Group President, Global Supply Chain, Information Technology and E-Commerce |

Our compensation discussion and analysis also contains details about how and why significant compensation decisions were made and places in context the information contained in the tables that follow this discussion.

Listed below are several terms that we frequently use in discussing our executive compensation program:

### Frequently Used Terms

| | |
|---|---|
| AIP | Annual Incentive Plan |
| EPS-XA | Diluted earnings per share from continuing operations, excluding actions |
| LTIP | Long-Term Incentive Program |
| PSA | Performance Share Award |
| RSU | Restricted Stock Unit |
| SERP | Supplemental Employee Retirement Plan |

### How We Make Executive Compensation Decisions

The Compensation Committee, advised by its independent compensation consultant, is responsible for overseeing and approving the executive compensation program for the Company's executive officers, including our named executive officers.

Frederic W. Cook & Co., or "FW Cook," serves as the Compensation Committee's executive compensation consultant. FW Cook reports directly to the Compensation Committee, and the committee has the sole authority to terminate or replace FW Cook at any time. FW Cook assists in the development of compensation programs for our executive officers and our non-employee directors by providing information about compensation by our peer group companies (which are described in "How the Compensation Committee uses Peer Groups" on page 36), relevant market trend data, information on current issues in the regulatory environment, recommendations for program design and best practices and corporate governance guidance.

The Compensation Committee realizes that it is essential to receive objective advice from its compensation advisors. Prior to the retention of a compensation consultant or any other external advisor, and from time to time as the Committee deems appropriate, the Compensation Committee assesses the independence of the advisor from management, taking into consideration all factors relevant to the advisor's independence, including the factors specified in NYSE listing standards. The Compensation Committee has assessed the independence of FW Cook based on these criteria and concluded that FW Cook's work for the committee does not raise any conflict of interest.

At the direction of the Compensation Committee, our management has worked with FW Cook to prepare information about the compensation competitiveness of our executive officers. Our Chief Executive Officer uses this information to make recommendations to the Compensation Committee regarding compensation of these officers, other than himself, and FW Cook provides guidance to the Compensation Committee about those recommendations. FW Cook also makes independent recommendations to the Compensation Committee regarding the compensation of our Chief Executive Officer without the foreknowledge of management. The Compensation Committee uses this information and considers these recommendations in making decisions about executive compensation for all of our executive officers. All decisions regarding compensation of executive officers (other than our Chief Executive Officer) are made solely by the Compensation Committee. The Chief Executive Officer's compensation is approved by the independent members of the Board of Directors, after reviewing the Compensation Committee's recommendation.

Table of Contents

***The Compensation Committee does not generally make regular annual adjustments in pay. Instead, the Compensation Committee uses judgment when making compensation decisions and reviews executive pay from a holistic perspective, including reference to compensation peer group pay practices and norms, general industry pay levels as gathered from publicly-available survey sources, individual performance, experience, strategic importance of the position to Hanesbrands and internal equity considerations.***

In making compensation decisions, the Compensation Committee:

| | | |
|---|---|---|
| Determines the competitive market for total target direct compensation for each named executive officer | Evaluates the allocation among the various elements of compensation, including base salary, AIP and LTIP compensation | Determines the appropriate balance of at-risk, time-based and performance-based equity compensation within each named executive officer's LTIP opportunity |

## How the Compensation Committee uses Peer Groups

To determine what constitutes a "competitive" compensation package, the Compensation Committee generally considers total target direct compensation, as well as the allocation among those elements of compensation, at our peer group companies. Because of significant differences in the pay practices of our peer group companies, the Compensation Committee does not view this market data as a prescriptive determinant of individual compensation. Rather, it is used by the Compensation Committee as a general guide in its decisions on the amount and mix of total target direct compensation. Ultimately, named executive officer compensation is based on the Compensation Committee's judgment, taking into account factors further described in this Compensation Discussion and Analysis that are particular to Hanesbrands and our named executive officers, including, most importantly, actual performance.

The Compensation Committee, with assistance from FW Cook, establishes the Company's peer group that is used for market comparison purposes.

We seek to identify peer group companies:

- that have comparable business models and strategy;
- with whom we compete for talent, capital and customers; and
- that are of a similar size and complexity.

In selecting new peer companies and evaluating the continued inclusion of current peers, the Compensation Committee also considers companies:

| | | | | | |
|---|---|---|---|---|---|
| In apparel and/or other general consumer product (non-durable goods) industries | With multiple distribution channels, such as wholesale, retail and e-commerce | Of a similar revenue size, market capitalization and margins | That consider us to be a peer for compensation purposes, plus the peer companies identified by our apparel peer companies | Used by us for financial comparison purposes | Used in the most recent Institutional Shareholder Services ("ISS") peer group for purposes of the chief executive officer pay-for-performance test |

**Table of Contents**

In light of these parameters, the Compensation Committee determined to modify the peer group previously used for purposes of determining 2016 compensation by removing Edgewell Personal Care Company (formerly known as Energizer Holdings, Inc.) and Kate Spade & Company. The Committee felt that Edgewell's relatively small size in terms of revenue and Kate Spade's relatively small size in terms of revenue and market capitalization no longer made them appropriate peers. The Compensation Committee chose to add Foot Locker, Inc., Ralph Lauren Corporation and The Gap, Inc. to the 2017 peer group because of their good overall alignment with the Committee's peer group selection criteria. Jarden Corporation was removed from the peer group due to its merger with Newell Brands Inc., which continues to be in the peer group. The peer group used by the Compensation Committee for purposes of determining 2017 compensation consisted of the following 17 companies:

| Apparel Companies | Consumer Products Companies |
|---|---|
| American Eagle Outfitters, Inc. | The Clorox Company |
| Carter's Inc. | Fortune Brands Home & Security, Inc. |
| Coach Inc. | Hasbro, Inc. |
| Foot Locker, Inc. | The Hershey Company |
| Gildan Activewear, Inc. | Mattel, Inc. |
| L Brands, Inc. | Newell Brands Inc. |
| PVH Corp. | Stanley Black & Decker, Inc. |
| Ralph Lauren Corporation | |
| The Gap, Inc. | |
| V.F. Corporation | |

## Elements of 2017 Executive Compensation

### Total Target Direct Compensation

The following supplemental table shows base salary, AIP and LTIP compensation at the target level for each of our named executive officers for 2018, 2017 and 2016 as approved by our Compensation Committee. This table presents information that is supplemental to, and should not be considered a substitute for, the information contained in the Summary Compensation Table that appears under "Summary Compensation Table" on page 47. This supplemental table is not required by SEC rules. However, we have chosen to include it to help investors better understand the total target direct compensation levels of our named executive officers for the two most recent years reflected in our Summary Compensation Table and for the current year. No information is provided for Mr. Hytinen for 2016 because he first became a named executive officer in the fourth quarter of 2017. No information is provided for Mr. Moss for 2018 because he ceased being a named executive officer in the fourth quarter of 2017.

In December 2016, using the methodology discussed under "How We Make Executive Compensation Decisions" on page 35, the Compensation Committee determined the total target direct compensation levels of our named executive officers for 2017, as well as the relative mix of base salary, AIP opportunity and LTIP opportunity for those executives.

When setting Mr. Evans' total target direct compensation level for 2017, the Compensation Committee considered the total compensation opportunity for chief executive officers at our peer group companies, as well as the October 2016 increase to Mr. Evans' total target direct compensation as result of his election as Chief Executive Officer. Based on those factors, the Compensation Committee determined not to recommend any changes to Mr. Evans' total target direct compensation for 2017.

Following a market review of pay practices at our peer group companies and considering changes to the scope of certain officers' individual responsibilities, the Compensation Committee approved the following increases to the 2017 total target direct compensation levels for our other named executive officers:

- Mr. Moss' total target direct compensation for 2017 was increased by approximately 10%. His base salary and target AIP opportunity were each increased from $575,000 to $625,000 and his target LTIP opportunity was increased from $1,450,000 to $1,600,000.
- Mr. Upchurch's total target direct compensation for 2017 was increased by approximately 16%. His base salary was increased from $525,000 to $570,000, his target AIP opportunity was decreased from $446,250 to $427,500 and his target LTIP opportunity was increased from $925,000 to $1,202,000.

**Table of Contents**

Ms. Johnson's total target direct compensation for 2017 was increased by approximately 10%. Her base salary was increased from $515,000 to $550,000, her target AIP opportunity was increased from $437,750 to $467,500 and her target LTIP opportunity was increased from $960,000 to $1,082,000.

Mr. Faircloth's total target direct compensation for 2017 was increased by approximately 15%. His base salary was increased from $510,000 to $540,000, his target AIP opportunity was increased from $382,500 to $405,000 and his target LTIP opportunity was increased from $895,000 to $1,105,000.

In October 2017, in connection with Mr. Hytinen's appointment as Chief Financial Officer, the Compensation Committee considered the total target direct compensation opportunity for chief financial officers at our peer group companies, as well as Mr. Hytinen's breadth of experience and skillset. Based on those factors, the Compensation Committee determined to set Mr. Hytinen's base salary at $600,000, set his target AIP opportunity at $510,000 and set his target LTIP opportunity at $1,200,000. In addition, the Compensation Committee approved the payment to Mr. Hytinen of: (i) a transition equity award consisting of restricted stock units having an aggregate value as of the grant date of approximately $1,000,000, which will vest 33%, 33% and 34%, respectively, on the first, second and third anniversaries of the grant date; and (ii) a transition cash bonus of $250,000 that must be repaid in the event Mr. Hytinen voluntarily terminates his employment with Hanesbrands prior to the second anniversary of his employment start date.

Our Compensation Committee typically approves, at its December meeting, LTIP awards that are intended to serve as equity incentive compensation for the following fiscal year. On December 12, 2017, the Compensation Committee approved the 2018 LTIP awards. The PSAs and RSUs that comprise the 2018 LTIP awards were granted to the named executive officers on that date. The supplemental table below includes the target value of the 2018 LTIP awards in the row for fiscal year 2018, as this corresponds to the analysis undertaken by the Compensation Committee in determining total target direct compensation. Under SEC rules, however, we are required to include the grant date fair value of equity awards in the fiscal year in which the award is granted. Therefore, in the Summary Compensation Table on page 47, the grant date fair value for the 2018 LTIP awards is included in the stock awards column for fiscal year 2017.

For a discussion of 2018 compensation information reflected in the supplemental table below, see "2018 Compensation Decisions" on page 43.

| | | Annual Compensation at Target | | | | Long-Term Compensation at Target | | |
|---|---|---|---|---|---|---|---|---|
| Name | Year | | Base Salary/% of Value of Total Target Direct Compensation | | Value at Target of AIP Compensation/% of Value of Total Target Direct Compensation | | Value at Target of LTIP Compensation/% of Value of Total Target Direct Compensation | Value of Total Target Direct Compensation |
| **Gerald W. Evans, Jr.** | 2018 | $1,100,000 | 12.2 % | $1,650,000 | 18.3 % | $6,250,000 | 69.4 % | $9,000,000 |
| | 2017 | 1,100,000 | 13.0 | 1,650,000 | 19.5 | 5,725,000 | 67.6 | 8,475,000 |
| | 2016 | 850,000 | 20.5 | 850,000 | 20.5 | 2,450,000 | 59.0 | 4,150,000 |
| **Barry A. Hytinen** | 2018 | 600,000 | 26.0 | 510,000 | 22.1 | 1,200,000 | 51.9 | 2,310,000 |
| | 2017 | 600,000 | 26.0 | 510,000 | 22.1 | 1,200,000 | 51.9 | 2,310,000 |
| | 2016 | — | — | — | — | — | — | — |
| **Richard D. Moss** | 2018 | — | — | — | — | — | — | — |
| | 2017 | 625,000 | 21.9 | 625,000 | 21.9 | 1,600,000 | 56.1 | 2,850,000 |
| | 2016 | 575,000 | 22.1 | 575,000 | 22.1 | 1,450,000 | 55.8 | 2,600,000 |
| **W. Howard Upchurch** | 2018 | 570,000 | 24.8 | 427,500 | 18.6 | | | |