WILLIAMS SONOMA INC
Form PRE 14A
April 05, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

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

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Williams-Sonoma, Inc.

(Name of Registrant as Specified In Its Charter)

Not Applicable

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

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 240.0-11 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:

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3250 Van Ness Avenue

San Francisco, California 94109

www.williams-sonomainc.com

NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS

MEETING DATE:	May 31, 2017
TIME:	9:00 a.m. Pacific Time
PLACE:	Williams-Sonoma, Inc. 3250 Van Ness Avenue San Francisco, California 94109
ITEMS OF BUSINESS:	1) The election of our Board of Directors; 2) An advisory vote on executive compensation; 3) An advisory vote on the frequency of holding an advisory vote to approve executive compensation; 4) The ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending January 28, 2018; 5) The amendment and restatement of the company s bylaws to provide for proxy access; 6) Consideration of a stockholder proposal regarding proxy access, if properly presented at the meeting; and 7) Such other business as may properly come before the meeting or any adjournment or postponement of the meeting.
RECORD DATE:	You may vote if you were a stockholder of record as of the close of business on April 3, 2017.
MEETING ADMISSION:	You are entitled to attend the Annual Meeting only if you were a stockholder of record as of the close of business on April 3, 2017. **Photo identification and proof of ownership on the record date is required for admittance.** Proof of ownership can be a brokerage or account statement indicating ownership on April 3, 2017, the Notice of Internet Availability of Proxy Materials, a proxy card, or a legal proxy or voting instruction card provided by your broker, bank or nominee.

By Order of the Board of Directors

David King

Secretary

April , 2017

YOUR VOTE IS IMPORTANT

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

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3250 Van Ness Avenue

San Francisco, California 94109

www.williams-sonomainc.com

PROXY STATEMENT FOR THE 2017 ANNUAL MEETING OF STOCKHOLDERS

GENERAL INFORMATION

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

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

What is the purpose of the Annual Meeting?

Stockholders will be asked to vote on the following matters:

1) The election of our Board of Directors;

2) An advisory vote to approve executive compensation;

3) An advisory vote on the frequency of holding an advisory vote to approve executive compensation;

4) The ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending January 28, 2018;

5) The amendment and restatement of the company s bylaws to provide for proxy access;

6) Consideration of a stockholder proposal regarding proxy access, if properly presented at the meeting; and

7) Such other business as may properly come before the meeting or any adjournment or postponement of the meeting, including stockholder proposals. At this time, we do not know of any other matters to be brought before the Annual Meeting.

What is the Notice of Internet Availability of Proxy Materials?

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

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

Can I receive future proxy materials by e-mail?

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

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

Who may vote?

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

How do I vote?

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

How do I vote electronically or by telephone?

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

Shares Registered Directly in the Name of the Stockholder

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

- on the Internet at www.proxypush.com/wsm; or
- by calling Wells Fargo Shareowner Services from within the United States at 866-883-3382.

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

Shares Registered in the Name of a Brokerage Firm or Bank

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

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

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

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

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

May I attend the Annual Meeting?

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

What are the directions to attend the Annual Meeting?

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

From the South Bay

Take US-101 Northbound toward San Francisco

Take the US-101 exit on the left

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

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

Turn left at US-101/South Van Ness Avenue

Continue North on Van Ness Avenue

Destination will be on the right

From the East Bay

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

Take exit 1B to merge onto US-101 North

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

Turn left at US-101/South Van Ness Avenue

Continue North on Van Ness Avenue

Destination will be on the right

From the North Bay

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

Exit onto Richardson Avenue/US-101 toward Lombard Street

Continue to follow US-101

Turn left at US-101/Van Ness Avenue

Continue North on Van Ness Avenue

Destination will be on the right

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

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

What is a broker non-vote?

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

How many votes are needed to elect directors?

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

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

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

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

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

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

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

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

Are there any stockholder proposals this year?

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

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

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

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

- sending written notice of revocation to our Secretary;
- sending a signed proxy card bearing a later date;
- voting by telephone or on the Internet at a later date; or

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

What is householding?

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

What if I received more than one proxy card?

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

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

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

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CORPORATE GOVERNANCE

Director Independence

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

Board Leadership Structure

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

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

Board Meetings and Executive Sessions

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

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

Attendance of Directors at Annual Meeting of Stockholders

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

Board Committees

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

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

Committee and Members	Functions of Committee	Number of Meetings in Fiscal 2016
Audit and Finance: Adrian T. Dillon, Chair Ted W. Hall Sabrina Simmons	Assists our Board in its oversight of the integrity of our financial statements; the qualifications, independence, retention and compensation of our independent registered public accounting firm; the performance of our internal audit function; and our compliance with legal and regulatory requirements; Prepares the report that the SEC rules require to be included in our annual proxy statement; Reviews the financial impact of selected strategic initiatives, and reviews and recommends for Board approval selected financing, dividend and stock repurchase policies and plans; and Assists the Board with its oversight of our major financial risk exposures, and reviews with management such exposures and the steps management has taken to monitor and control such exposures.	9
Compensation: Adrian D.P. Bellamy, Chair Rose Marie Bravo Anthony A. Greener Lorraine Twohill	Reviews and determines our executive officers compensation; Reviews and determines our general compensation goals and guidelines for our employees; Administers certain of our compensation plans and provides assistance and recommendations with respect to other compensation plans; Reviews the compensation discussion and analysis report that the SEC rules require to be included in our annual proxy statement; Assists the Board with its oversight of risk arising from our compensation policies and programs, and assesses on an annual basis potential material risk from our compensation policies and programs; and Appoints, sets the compensation of, and determines independence of any compensation consultant or other advisor retained.	6

Nominations and Corporate Governance: Lorraine Twohill, Chair Adrian D.P. Bellamy Anthony A. Greener	Reviews and recommends corporate governance policies; Identifies and makes recommendations for nominees for director and considers criteria for selecting director candidates; Considers stockholders director nominations and proposals; Reviews and determines our compensation policy for our non-employee directors; Considers resignation offers of director nominees and recommends to the Board the action to be taken with respect to each such offered resignation; and Oversees the evaluation of our Board and our senior management team.	2

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Audit and Finance Committee

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

Compensation Committee

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

Compensation Committee Interlocks and Insider Participation

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

Nominations and Corporate Governance Committee

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

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

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

Evaluated the composition of the committees of the Board;

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

- Managed the annual Board self-assessment process.

Director Nominations

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

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

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

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

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

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

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

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

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

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

Stockholder Recommendations

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

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

Director nominees Grace Puma and Frits van Paasschen were recommended for consideration by the company s human resources department, which led a search for qualified director candidates. Director nominee Christiana Smith Shi was recommended for consideration by Adrian D.P. Bellamy, the Chairman of the Board, and Ted W. Hall, a member of the Board of Directors. Each director nominated in this Proxy Statement was recommended for election to the Board by the Nominations and Corporate Governance Committee. The Board did not receive any director nominee recommendation from any stockholder in connection with this Proxy Statement.

Risk Oversight

Board Oversight of Risk

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

Evaluation of Risks Relating to Compensation Programs

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

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

Director Compensation

For fiscal 2016, non-employee directors received cash compensation and equity grants for their service on our Board, for their service as Chair of the Board or Chair of a Board committee, and for their service on any Board committees of which they are a member, as set forth in the table below. During fiscal 2016, the equity grants were made in the form of restricted stock units. These restricted stock units vest on the earlier of one year from the date of grant or the day before the next regularly scheduled annual meeting. The number of restricted stock units granted was determined by dividing the total monetary value of each award, equal to the equity grant as identified in the following table, by the closing price of our common stock on the trading day prior to the grant date, rounding down to the nearest whole share. Directors also received dividend equivalent payments with respect to outstanding restricted stock unit awards.

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

(1) The annual cash compensation is paid in quarterly installments so long as the non-employee director continues to serve on the Board at the time of such payments.

(2) The annual equity grant is awarded on the date of the Annual Meeting.

(3) Directors who are appointed to the Board after the Company s last Annual Meeting receive an equity grant on the appointment date on a prorated basis based on the number of days that the director is scheduled to serve between the appointment date to the Board and the date one year from the prior year s Annual Meeting.

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

Non-Employee Director Summary Compensation Table

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

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

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

(2) Represents the taxable value of discount on merchandise.

(3) Excludes dividend equivalent payments, which were previously factored into the grant date fair value of disclosed equity awards.

(4) Represents the grant date fair value associated with a restricted stock unit award of 6,895 shares of common stock made on June 2, 2016, with a fair value as of the grant date of $53.15 per share for an aggregate grant date fair value of $366,469.

(5) Represents the grant date fair value associated with a restricted stock unit award of 2,897 shares of common stock made on June 2, 2016, with a fair value as of the grant date of $53.15 per share for an aggregate grant date fair value of $153,976.

(6) Represents the grant date fair value associated with a restricted stock unit award of 3,377 shares of common stock made on June 2, 2016, with a fair value as of the grant date of $53.15 per share for an aggregate grant date fair value of $179,488.

(7) Represents the grant date fair value associated with a restricted stock unit award of 507 shares of common stock made on March 23, 2016, with a fair value as of the grant date of $55.66 per share and 2,897 shares of common stock made on June 2, 2016, with a fair value as of the grant date of $53.15 per share for an aggregate grant date fair value of $182,195.

(8) Represents the grant date fair value associated with a restricted stock unit award of 3,052 shares of common stock made on June 2, 2016, with a fair value as of the grant date of $53.15 per share for an aggregate grant date fair value of $162,214.

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

Director Stock Ownership Policy

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

Corporate Governance Guidelines and Code of Business Conduct and Ethics

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

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Communicating with Members of the Board

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

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PROPOSAL 1

ELECTION OF DIRECTORS

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

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

Information Regarding the Director Nominees

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

Executive Officer:

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

Barn, 2000 2002

Senior Vice President, Pottery

Barn Catalog and Pottery Barn

Kids Retail, 1999 2000

Director, Fitbit, Inc.

(fitness trackers), since 2016

Director, RealD Inc.

(3D technologies), 2013 2015

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Independent Directors:

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

(specialty department store), 1992 1997

Chairman and Chief Executive

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

Director, Tiffany & Co. (jewelry)

since 1997

Director, The Estée Lauder

Companies Inc. (beauty products) since 2003

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

Age 54	Supply Officer since 2015, Senior Vice President & Global Chief Procurement Officer,	procurement and supply chain operations, with over 20 years as an executive
	2010 2015, PepsiCo, Inc. (food and beverage)	Strong experience in global
	Senior Vice President & Global	team leadership and strategy development
	Chief Procurement Officer, United Airlines (airline), 2007 2010	
	Vice President, Kraft Foods	
	(food), 1999 2007	
	Director, Marietta Corporation	
	(personal care amenities), 2010 2015	

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

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

Officer, Coors Brewing Company (beer), 2005
2007

GM (President) Europe, Middle

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

Director, Barclays PLC (banking),

2013 2016

Director, Jones Apparel Group

Inc. (clothing), 2004 2007

Director, Oakley, Inc.

(sunglasses and athletic apparel), 2004 2007

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Required Vote for This Proposal

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

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

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PROPOSAL 2

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

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

Compensation Program and Philosophy

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

Fiscal 2016 Compensation Summary

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

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

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

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

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

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

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

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Required Vote for this Proposal

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

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

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

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

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PROPOSAL 3

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

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

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

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

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

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

Required Vote for this Proposal

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

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

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

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

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PROPOSAL 4

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

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

Deloitte Fees and Services

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

Deloitte provided the company with the following services:

Audit Fees

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

Tax Fees

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

All Other Fees

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

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

Pre-Approval Policy

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

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

Required Vote for this Proposal

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

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

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

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PROPOSAL 5

AMENDMENT AND RESTATEMENT OF BYLAWS

TO PROVIDE FOR PROXY ACCESS

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

Brief Overview of the Board Proposal

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

- An eligible stockholder, or up to a group of **20** eligible stockholders,
- That holds **3%** of our common stock for **3 years**,
- The ability to nominate up to **20%** of the current Board s size as director candidates, but no less than 2 director candidates.

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

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

Primary Elements of the Company s Proxy Access Bylaw

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

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

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

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

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

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

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

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

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

Required Vote for this Proposal

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

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

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

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

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PROPOSAL 6

STOCKHOLDER PROPOSAL

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

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

The stockholder proposal is quoted verbatim in italics below.

Proposal 6 Shareholder Proxy Access

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

1. *Nominating shareholders or shareholder groups must beneficially own 3% or more of the Company s outstanding common stock (Required Stock) continuously for at least three years and pledge to hold such stock through the annual meeting.*

2. *The number of shareholder-nominated candidates eligible to appear in proxy materials shall be one quarter of the directors then serving or two, whichever is greater.*

3. *No limitations, below fifty, shall be placed on the number of shareholders that can aggregate their shares to achieve the 3% Required Stock.*

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

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

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

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

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

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

Increase Shareholder Value

Vote for Shareholder Proxy Access Enhancement Proposal 6

Opposition Statement of the Board of Directors

Our Board of Directors recommends that you vote AGAINST this proposal (Proposal 6) and, instead, vote FOR the Board s proxy access proposal (Proposal 5). The Board of Directors believes the stockholder proposal is not in the best interests of Williams-Sonoma, Inc. or its stockholders.

The stockholder proxy access proposal is not properly structured (i) to minimize the potential for abuse by investors who lack a meaningful long-term interest in our company or who wish to promote special interests, or (ii) to minimize disruption of board functions and effectiveness, and is inconsistent with the market standard for proxy access bylaws.

Williams-Sonoma, Inc. is committed to acting in the best interests of our stockholders and to sound corporate governance guidelines and practices. While the Board understands that proxy access is an important governance issue, the Board recognizes that differences remain among investors as to the appropriate limitations and rules governing proxy access. The Nominations and Corporate Governance Committee and the Board have considered the stockholder proxy access proposal and the principal features of proxy access bylaws adopted to date by a substantial majority of large companies and the views of our stockholders.

The clear market standard for a proxy access bylaw contains the principal features of **3/3/20/20**, which has been adopted by approximately 85% of the companies that have adopted a proxy access bylaw to date. The market standard allows an eligible stockholder or up to a group of **20** eligible stockholders to hold **3%** of our common stock for **3 years** to be able to nominate up to **20%** of the current Board s size as director candidates but to be able to nominate at least 2 directors candidates.

After the Nominations and Corporate Governance Committee considered carefully our corporate governance guidelines and practices, the committee recommended, and the Board approved, subject to stockholder approval, amending the company s Bylaws to adopt proxy access based upon the market standard, as further described above in Proposal 5.

Therefore, the Board strongly urges you to vote **FOR** the company s version of a **3/3/20/20** proxy access bylaw set forth above in Proposal 5, because the stockholder proposal version is not properly structured or sufficiently detailed (i) to prevent abuse by investors who hold a small amount of stock and who do not have a meaningful long-term interest in the company or who want to further special interests, or (ii) to minimize disruptions to the Board and its effectiveness, and is inconsistent with the market standard for proxy access bylaws.

The Board believes that allowing access to the company s proxy materials is a serious and potentially disruptive event. Thus, the Board believes a proxy access bylaw should have appropriate protections and be available only to a critical mass of long-term investors. Therefore, we recommend that you vote **FOR** the company s version of a **3/3/20/20** proxy access bylaw.

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Below, we list some of the primary differences between our Board s proxy access bylaw and the stockholder proposal:

Topic: Group of Stockholders Who May Aggregate Ownership

Board Proposal	Stockholder Proposal
A group of up to 20 stockholders	A group of up to 50 stockholders

Topic: Number of Director Candidates

Board Proposal	Stockholder Proposal
Up to 20% of the Board Size but no less than 2 directors	Up to 25% of the Board Size but no less than 2 directors

Topic: Safeguards against Abuse or Opportunism

Board Proposal	Stockholder Proposal
Require stock not to be acquired or held for change-of-control purposes	Would not prohibit stock acquired or held for change-of-control purposes to be used to nominate directors
Condition eligibility on a stockholder or group of stockholders possessing voting, investment, and economic interests in the company stock	Would not prohibit borrowed stock to count towards meeting threshold requirements
Require background information on director nominees required by the proxy rules	No requirement that nominating stockholder or group of stockholders provide background information required by proxy rules
Require director nominees to meet certain independence standards or other qualifications	No requirement for director nominees to meet any independence standards or other qualifications

Below, we explain in more detail the primary differences between our Board s proxy access bylaw and the stockholder proposal.

The stockholder proposal allows small stockholders with narrowly defined special interests and short-term goals to be disproportionately represented on our Board and impose excessive administrative costs.

The stockholder proposal allows a group of up to 50 stockholders to combine their holdings to meet the 3% threshold. However, the Board believes a group limitation at 50, rather than 20, stockholders is too high for our company and is not consistent with the 20-stockholder limit included in approximately 90% of the proxy access bylaws adopted to date. The Board believes a group limitation of up to 20 stockholders provides reasonable access and that, when the group limitation is set at up to 50 stockholders, the chances increase that small stockholders with narrowly defined special interests and short-term goals could become disproportionately represented on our Board.

Also, a group limitation of 20 stockholders will reduce the administrative burden and expense of managing and vetting the eligibility of the nominating stockholders and their candidates. Further, based on the company s current stockholder base, one small stockholder can reach the 3% threshold on their own or by forming a group with a few stockholders. Therefore, the Board believes a group limitation of 20 not a group limitation of 50 is appropriate for our company.

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The stockholder proposal may disrupt the Board and cause an imbalance in skills, experience, and diversity.

The Nominations and Corporate Governance Committee has *a fiduciary obligation to all stockholders* and is charged with carefully evaluating the skills set, qualities, and experience of potential candidates as well as the composition of the entire Board. As discussed above under Director Nominations, the Nominations and Corporate Governance Committee reviews the qualifications of all candidates who have been properly recommended by stockholders, management, or other Board members. As part of this review, the Nominations and Corporate Governance Committee considers many factors, including character, judgment, independence, financial expertise, and industry experience among other things.

However, director candidates nominated through proxy access are not subject to the Nominations and Corporate Governance committee s review, and election of such proxy access candidates could mean our Board has an imbalance in skills, experience, and diversity. This imbalance may disrupt the Board s effectiveness.

The Board s proposal limits proxy access director candidates to 20% of the board not 25% of the board but in no event less than 2 proxy access director candidates, consistent with the 20% limit included in approximately 85% of the proxy access bylaws adopted to date. The Board believes 20% is the appropriate balance for our company, because the 20% limitation allows meaningful use of proxy access to achieve Board representation without disrupting or affecting the overall balance of skills, experience, and diversity sought by the Nominations and Corporate Governance Committee to constitute a strong Board.

The stockholder proposal lacks safeguards against abuse and opportunism.

The stockholder proposal version of proxy access is missing many important, procedural safeguards that the Board believes are crucial to protecting stockholder interests.

First, the stockholder proposal does not require that the nominating stockholder acquire or hold our stock without the purpose of or effect of, changing the control of, or influencing a change-of-control in, the company. Proxy access was not intended as a means to affect a change-of-control in a company; rather, proxy access was intended to increase stockholder representation on the board. Stockholders should not be able to use proxy access, rather than a proxy contest and solicitation, to achieve a change-of-control in the Williams-Sonoma, Inc. Therefore, the Board believes you should vote **FOR** the Proposal 5, which imposes a meaningful requirement that proxy access not be used to affect a change-of-control in the company.

Second, the Board believes that proxy access should only be available to stockholders who have a meaningful long-term interest in the company. In other words, only stockholders who possess voting, investment, and economic interests in the company stock should be allowed to use the company s proxy materials to achieve director representation. However, the stockholder proposal does not prohibit stockholders from temporarily borrowing stock to meet the eligibility requirements. Thus, the Board believes you should vote **FOR** the Proposal 5, because it helps ensure only stockholders who want to increase long-term stockholder value are able to use proxy access.

Finally, as noted above, the stockholder proposal is silent on, and does not give careful thought to, requirements and standards necessary to have an effective Board that complies with SEC and NYSE rules. The Board s proposal considers these requirements and has procedural safeguards that allow the Board to continue to meet its independence standards and other qualifications to be effective. Because the Board has carefully tailored its proxy access proposal, rather than the stockholder who has presented a one-size fits all approach, the Board believes you should vote **FOR** the Proposal 5.

Required Vote for this Proposal

Approval of the stockholder proxy access proposal (this Proposal 6) is not conditioned on the approval or disapproval of our Board s proxy access proposal (Proposal 5). The stockholder proposal is advisory and non-binding in nature, and constitutes a recommendation by our stockholders to our Board.

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Under the rules of the NYSE, brokers are prohibited from giving proxies to vote on stockholder proposals opposed by management matters unless the beneficial owner of such shares has given voting instructions on the matter. This means that if your broker is the record holder of your shares, you must give voting instructions to your broker with respect to Proposal 5 if you want your broker to vote your shares on the matter.

The affirmative vote of a majority of the votes cast in person or by proxy at the 2017 Annual Meeting will be required to approve this stockholder proposal. Abstentions and broker non-votes will not affect the voting results for this proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE AGAINST THIS STOCKHOLDER PROPOSAL REGARDING PROXY ACCESS.

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AUDIT AND FINANCE COMMITTEE REPORT

The Audit and Finance Committee oversees the company s financial reporting process on behalf of the Board. In meeting these responsibilities, as described under the heading Corporate Governance Board Committees , we perform the following functions:

- Monitor the integrity of the company s financial reports, earnings and guidance press releases, and other company financial information;
- Appoint and/or replace the independent registered public accounting firm, pre-approve all audit and non-audit services of the independent registered public accounting firm, and assess its qualifications and independence;
- Review the performance of the company s internal audit function, the company s auditing, accounting and financial reporting procedures, and the company s independent registered public accounting firm;
- Monitor the company s compliance with legal and regulatory requirements;
- Monitor the company s system of internal controls and internal control over financial reporting;
- Retain independent legal, accounting or other advisors when necessary and appropriate;
- Review the financial impact on the company of selected strategic initiatives and selected financing plans, and develop and recommend policies related to dividend, stock repurchase and foreign currency programs; and
- Review with management the company s major financial risk exposures and the steps management has taken to monitor and control such exposures, including the company s risk assessment and risk management policies.

In performing these functions, we took the following actions, among other things, related to fiscal 2016:

- Reviewed and discussed the company s audited consolidated financial statements for fiscal 2016 and unaudited quarterly condensed consolidated financial statements for fiscal 2016 with management and Deloitte;
- Reviewed, discussed with management and approved the company s periodic filings on Forms 10-K and 10-Q;
- Reviewed, discussed with management and approved all company earnings and guidance press releases;
- Reviewed and discussed the company s internal control over financial reporting with management and Deloitte;

Reviewed and discussed with the company s internal audit department the company s internal audit plans, the significant internal audit reports issued to management and management s responses;

Reviewed and discussed with management and the company s internal audit department the company s major financial risk exposures, including with regard to legal and regulatory matters, and the company s risk assessment and risk management policies;

Met with Deloitte, with and without management present, to discuss the overall quality of the internal and external audit process and the financial reporting process;

Reviewed and discussed with management, the company s internal audit department and Deloitte the sufficiency of the company s information technology systems, including how such systems support effective internal controls; and

Discussed with Deloitte its independence from the company based on the following: (i) our confirmation that no member of Deloitte s current or former audit team is or has been employed by the company in a

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financial reporting oversight role; (ii) our review of audit and non-audit fees; and (iii) the written communications from Deloitte as required by Public Company Accounting Oversight Board, or PCAOB, requirements.

During fiscal 2016, we discussed the following other matters, among other things, with Deloitte:

- Deloitte s responsibilities in connection with the audit of the company s financial statements;
- Deloitte s annual letter describing its internal quality control procedures;
- Any significant issues arising during the audit and any other matters relating to the conduct of the audit of the company s financial statements; and
- Matters required to be discussed pursuant to relevant PCAOB and SEC requirements, including the quality of the company s accounting principles, the soundness of significant judgments and the clarity of disclosures in the company s financial statements.

*The Audit and Finance Committee hereby reports as follows:**

(1) The Audit and Finance Committee has reviewed and discussed the company s audited financial statements with management and Deloitte;

(2) The Audit and Finance Committee has discussed with Deloitte the matters required by PCAOB Auditing Standard No. 1301, *Communications with Audit Committees*;

(3) The Audit and Finance Committee has received the written disclosures and the letter from Deloitte required by the applicable requirements of the PCAOB regarding Deloitte s communications with the Audit and Finance Committee concerning independence and has discussed with Deloitte its independence; and

Based on the review and discussions referred to in items (1) through (3) above, the Audit and Finance Committee recommended to the Board that the audited financial statements be included in the company s Annual Report on Form 10-K for fiscal 2016 for filing with the SEC.

AUDIT AND FINANCE COMMITTEE OF THE BOARD OF DIRECTORS

Adrian T. Dillon, Chair

Ted W. Hall

Sabrina Simmons

* This report shall not be deemed to be (i) soliciting material, (ii) filed with the SEC, (iii) subject to Regulations 14A or 14C of the Securities Exchange Act of 1934, as amended, or (iv) subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference into any of our other filings under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, except to the extent we specifically incorporate it by reference into such filing.

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INFORMATION CONCERNING EXECUTIVE OFFICERS

The following table provides certain information about our executive officers as of April 3, 2017. Our executive officers are appointed by and serve at the pleasure of our Board, subject to rights, if any, under employment contracts.

Name	Position with the Company and Business Experience
Laura J. Alber	*
Age 48	
Julie P. Whalen	Executive Vice President, Chief Financial Officer since 2012
Age 46	Treasurer, 2011 2014
	Senior Vice President, Controller, 2006 2012
	Vice President, Controller, 2003 2006
James W. Brett	President, West Elm Brand since 2010
Age 47	Chief Merchandising Officer, Urban Outfitters, Inc., 2007 2010
	Merchandise Manager, Anthropologie, Urban Outfitters, Inc., 2003 2007
Janet M. Hayes	President, Williams Sonoma Brand since 2013
Age 49	President, Pottery Barn Kids and PBteen Brands, 2010 2013
	Executive Vice President, Pottery Barn Kids and PBteen Brands, 2008 2010
	Senior Vice President and General Merchandising Manager, Pottery Barn, 2007 2008
David R. King	Senior Vice President, General Counsel and Secretary since 2011
Age 48	Vice President, Deputy General Counsel, 2010 2011
	Vice President, Associate General Counsel, 2006 2010
	Director, Associate General Counsel, 2004 2006

* Biographical information can be found in the table under the section titled Information Regarding the Director Nominees beginning on page 15 of this Proxy Statement.

The following table provides certain information about our former President, Pottery Barn Brands, who resigned effective March 15, 2017:

Name	Position with the Company and Business Experience

Sandra N. Stangl	President, Pottery Barn Brands (Pottery Barn, Pottery Barn Kids and PBteen), 2013 2017
Age 49	President, Pottery Barn Brand, 2008 2013
	Executive Vice President, Pottery Barn Kids and PBteen Brands, 2006 2008
	Senior Vice President, General Merchandising Manager, 2003 2006
	Senior Vice President, Product Development, 2002 2003

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes our compensation program, the compensation decisions we made under our program, and the reasoning underlying those decisions. This discussion and analysis focuses on the compensation of our Named Executive Officers, who in fiscal 2016 were:

Laura J. Alber	Director, President and Chief Executive Officer
Julie P. Whalen	Executive Vice President, Chief Financial Officer
Sandra N. Stangl	Former President, Pottery Barn Brands
Janet M. Hayes	President, Williams Sonoma Brand
James W. Brett	President, West Elm Brand

Sandra N. Stangl resigned as President, Pottery Barn Brands effective March 15, 2017.

Compensation Discussion and Analysis Executive Summary

Our compensation decisions begin with the objective of paying for performance. For fiscal 2016, the Compensation Committee took the following steps in support of the Company s executive pay for performance philosophy.

- We continued to grant performance stock units (PSUs) as part of our equity program, with variable payout based on a cumulative three-year earnings goal and subject to 100% cliff vesting at the end of the three-year performance period.

- The weighting of PSUs for the Chief Executive Officer remained at 50% in fiscal 2016, and over 90% of her total target compensation was based on company performance.

- We set the fiscal 2016 earnings per share target under our annual bonus plan significantly higher than our actual earnings per share for fiscal 2015 and did not increase target cash bonus percentages for our Named Executive Officers.

In addition to actual results, we consider how our performance results were achieved. Our company values guide the way we think and approach our business, and we measure executive performance with respect to these values as we make compensation decisions. This assessment is reflected in the compensation recommendations that our Chief Executive Officer makes to the Compensation Committee with respect to the other Named Executive Officers and the Compensation Committee s decisions with respect to the compensation of our Chief Executive Officer.

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Our Values

Everything we do revolves around our mission to enhance our customers lives at home. We are committed to quality and service, and delivering an inspiring retail experience. Our core values include:

People First

We believe that our company has no limit and is driven by our associates and their imagination. We are committed to an environment that attracts, motivates and recognizes high performance.

Customers

We are here to please our customers without them, nothing else matters.

Quality

We take pride in everything we do. From our people to our products, and in our relationships with business partners and our community, quality is our signature.

Stockholders

We are committed to providing a superior return to our stockholders. It s everyone s job.

Integrity

We do business with the highest level of integrity. Every day, in everything we do.

Corporate Responsibility

We will build sustainability into every corner of our enterprise so that our continued financial success will enhance the lives of our many stakeholders, the communities where we have a business presence and the natural environment upon which we rely.

Fiscal 2016 Performance Highlights

Fiscal 2016 was a year of solid performance for our company, and we experienced growth in both net revenues and earnings per share despite a challenging retail environment. Our overall growth was driven by our highly profitable e-commerce business, which expanded to almost 52% of our total revenues. Fiscal 2016 financial achievements included:

- Net revenues increased 2.2% to $5.084 billion.

- Diluted earnings per share reached a record $3.41 vs. $3.37 in fiscal 2015.

- E-commerce net revenues grew 4.4% to $2.634 billion and generated 51.8% of total net revenues in fiscal 2016, compared to 50.7% in fiscal 2015.

- We generated $525 million in operating cash flow and returned $285 million to our stockholders through stock repurchases and dividends.

- Comparable brand revenue growth across our business in fiscal 2016 was 0.7% on top of 3.7% in fiscal 2015.

- West Elm net revenues increased more than $150 million, or 18.3%, and comparable brand revenue growth increased by 12.8%. This marked a seventh consecutive year of double-digit growth for West Elm.

- Our emerging brands, Rejuvenation and Mark and Graham, grew net revenues by 26.6% and company-owned international operations grew net revenues by 32.5%.

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Our Compensation Program Aligns and Advances Executive and Stockholder Interests

Our compensation program is constructed to attract, motivate and retain exceptional executives in support of our primary objective to create long-term value for stockholders. Fundamentally, we believe that earnings and earnings per share, or EPS, are the measures most closely aligned with long-term stockholder value and, as such, each executive s bonus payout and PSUs are dependent on the company s achievement of earnings based goals.

The chart below illustrates the year over year increases of our target EPS goal under our 2001 Incentive Bonus Plan, as well as our actual EPS. Our performance goal is consistently set higher than the previous year s actual EPS performance.

Similarly, our stock ownership guidelines and time-based equity compensation encourage our executives to deliver long-term sustained growth in our stock price. We believe this dual focus on earnings and long-term price appreciation aligns executive and stockholder interests. When we exceed targeted performance levels and/or our stock price appreciates, our executives realized compensation is substantially increased. When we do not achieve targeted performance levels, or when the stock price decreases, our executives actual earned compensation is significantly reduced.

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The charts below summarize our EPS growth and total stockholder return (TSR) over the past five years, and compare our five-year cumulative TSR to our proxy peer group companies and certain market indices. These

returns assume an initial investment of $100 and reinvestment of dividends. Company performance against our peers and retail industry is reviewed and considered when making compensation decisions, and to confirm that the compensation program has been effective in incenting and linking performance with appropriate rewards.

Stockholders Supported Our Compensation Program in 2016

Our stockholders express their views on our compensation program and compensation decisions annually by casting votes in favor of or against our annual Say on Pay proposal. At the 2016 Annual Meeting of Stockholders, over 99% of the votes cast were in favor of our Say on Pay proposal. The Compensation Committee considered this advisory vote in determining whether our stockholders continue to support our compensation policies and our compensation decisions, and concluded that it demonstrates continued support.

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Overview of 2016 Compensation Decisions

In fiscal 2016, we continued to advance our business and strategic objectives. Our compensation decisions for fiscal 2016 were intended to reward the achievements of fiscal 2016, drive strong performance in fiscal 2017, provide incentives for long-term growth, and retain our key executives. These decisions included:

Base Salaries. Base salaries remained unchanged for our Named Executive Officers.

Annual Bonuses. Our Named Executive Officers, other than Ms. Stangl, earned bonus payouts ranging from 93% of target to 180% of target based on both company and individual performance for fiscal 2016. Target cash bonus percentages for fiscal 2016 remained unchanged from fiscal 2015.

Long-Term Incentives. We granted two forms of equity awards in fiscal 2016, restricted stock units (RSUs) and PSUs. PSUs were granted in fiscal 2016 with a variable payout based on achievement of a cumulative three-year earnings goal. The PSUs granted in fiscal 2016 vest fully and are paid out after three years, if earned, based on company performance. The RSUs granted in fiscal 2016 are subject to a one-year performance-based vesting requirement and a time-based vesting schedule of 25% per year from the grant date.

We believe our fiscal 2016 long-term incentive structure provides an appropriate mix of retention for our top executive talent and at-risk incentive to drive long-term performance.

The charts below illustrate the proportion of each element of our Named Executive Officers and our Chief Executive Officer s fiscal 2016 compensation as reported in the Summary Compensation Table on page 51.

Overview of Chief Executive Officer Compensation

Since becoming Chief Executive Officer in 2010, Ms. Alber s leadership of the company has driven year-over-year gains in revenue and EPS. The compensation of our Chief Executive Officer is designed to pay for performance; 90% of Ms. Alber s total compensation opportunity for fiscal 2016 was comprised of variable incentive-based compensation, which aligns with and advances stockholders interests. Listed below are the main elements of pay and a summary of the Compensation Committee s decisions related to the compensation of our Chief Executive Officer for fiscal 2016.

Base Salary. Base salary remained unchanged for fiscal 2016.

Annual Bonus. Annual bonus for fiscal 2016 was paid at 114% of target, based on an assessment of company and individual performance and represented an 8% decrease from the actual annual bonus Ms. Alber received in fiscal 2015.

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Long-Term Incentives. We granted long-term incentive awards of 82,088 RSUs with a one-year performance-based vesting requirement and a time-based vesting schedule of 25% per year over a four-year period. Additionally, we granted 82,088 PSUs at target payout subject to a cumulative three-year earnings goal and a three-year cliff vesting schedule.

Compensation Governance

We maintain compensation practices that are aligned with prevalent and sustainable corporate governance principles intended to encourage actions that are in the long-term interests of stockholders and the company, and discourage actions such as excessive risk-taking and other actions contrary to the long-term interests of stockholders. Below, we highlight key elements of our compensation governance.

Compensation Practices We Follow

We pay for performance. With the exception of base salary and benefits, our compensation elements are incentive-based or tied to company stock performance. Variable pay constitutes over 80% of total target compensation for our Named Executive Officers other than our Chief Executive Officer, whose variable pay for fiscal 2016 was 90% of total target compensation.

We structure each element of compensation with a specific purpose. Our process for making compensation decisions involves a strategic review of the role and the level of each element of compensation, as well as the balance of short-term and long-term compensation opportunities.

We set meaningful stock ownership guidelines. Our expectations for stock ownership align executives interests with those of our stockholders. The ownership guideline for our Chief Executive Officer is five times base salary. The guideline for the Named Executive Officers (other than the Chief Executive Officer) and certain other executives is two times base salary. All of our Named Executive Officers meet or exceed the stock ownership guidelines or comply with the stock retention requirements for vested restricted stock units that are designed to bring the executive up to the guideline ownership level.

We review our equity plan share usage regularly. On an annual basis, the Compensation Committee reviews and evaluates our share dilution, burn rate and overhang levels with respect to equity compensation plans and their impact on stockholder dilution. The Compensation Committee is also provided this information at each committee meeting.

We provide limited perquisites. Our Named Executive Officers are not provided with any special perquisites or benefits that are not otherwise offered broadly to associates of the company, with the exception of $12,000 in financial consulting services offered to a limited number of executives. These benefits are for financial counseling to address the complexity of the executives financial circumstances and to help them maximize the benefit of the compensation we provide to them.

We adopted double-trigger, not single-trigger, change in control benefits. Our Management Retention Plan provides for accelerated vesting of equity awards and salary and bonus payouts after a change in control, but only if an executive is involuntarily terminated without cause or separates for good reason.

We consider the views of stockholders on an annual basis. We provide stockholders with an annual Say on Pay advisory vote, and the Compensation Committee reviews and takes into account the results of this vote.

We engage an independent compensation consulting firm. The Compensation Committee s independent consultant does not provide any other advisory or consulting services to the company.

Compensation Practices We Do Not Follow

We do not provide excise tax gross-ups or gross-ups of any kind.

We do not allow hedging, pledging or short sales of company stock.

We do not pay dividends on unvested performance-based RSUs and PSUs.

We do not grant stock options or stock appreciation rights with exercise prices below 100% of fair market value.

We do not allow repricing underwater stock options or stock appreciation rights without stockholder approval.

We do not permit personal use of our corporate aircraft.

Roles in Determining Executive Compensation

The Compensation Committee makes compensation decisions related to the compensation of the Named Executive Officers with the input and recommendations of the Chief Executive Officer (other than with respect to her own compensation). Management provides the Compensation Committee with analyses and recommendations developed internally with the Chief Executive Officer. The Compensation Committee reviews these materials with its compensation consultant and considers the consultant s advice as part of its decision-making process, including the consultant s advice regarding the selection of appropriate peers for inclusion in the company s proxy peer group. With respect to the Chief Executive Officer s base salary, the Compensation Committee makes a recommendation to the independent members of the Board of Directors, and all independent Directors determine any base salary adjustments for the Chief Executive Officer.

Role of Compensation Committee

Each year, the Compensation Committee determines appropriate business targets for the fiscal year and evaluates executives performance against those targets. As the Compensation Committee structures the executive compensation program, it considers accounting and tax implications of each compensation element, as well as stockholder dilution in the case of equity awards. The Compensation Committee updates the Board of Directors regarding compensation decisions for executives and for the Chief Executive Officer, with the exception of adjustments to her base salary, which are determined by the independent members of the Board, as described above. The Compensation Committee s role is further detailed in the Compensation Committee Charter, which is available on the company s website at ir.williams-sonomainc.com/governance.

In making compensation decisions, the Compensation Committee reviews each executive s past and current compensation and analyzes each of the following:

Each Named Executive Officer s achievement of established financial and operating objectives for that executive s area of responsibility;

The compensation opportunity for each Named Executive Officer relative to the compensation opportunity disclosed by companies in the proxy peer group for the officer s corresponding position, for each compensation element;

Internal positioning among the Named Executive Officers; and

Whether the vesting schedule and value of outstanding long-term incentive awards are sufficient to provide an appropriate balance of short and long-term incentives, drive sustained performance and provide potential for appropriate reward.

Role of Our Chief Executive Officer and Management

The Chief Executive Officer is present at Compensation Committee meetings (except when her own compensation is being deliberated and established) and makes recommendations regarding the compensation program in general and each executive s compensation specifically. Her recommendations are made in the context of peer group and other relevant data, and are based on a quantitative analysis and comparison of each executive s performance against fiscal year business and strategic objectives and her qualitative evaluation of each executive s contributions to the company s long-term objectives. Further, she provides input on each

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executive s respective responsibilities and growth potential, as well as their equity position and potential for wealth accumulation. Other members of management are also present at Compensation Committee meetings to provide background information regarding the company s business and strategic objectives.

Role of Independent Compensation Committee Consultant

Frederic W. Cook & Co., or Cook & Co., is the independent executive compensation consultant for the Compensation Committee. Cook & Co. provides services only as directed by the Compensation Committee and has no other relationship with the company. The Compensation Committee has reviewed its relationship with Cook & Co. and has identified no conflicts of interest.

In fiscal 2016, Cook & Co. provided the Compensation Committee with publicly disclosed proxy data related to Named Executive Officer compensation. The Compensation Committee occasionally requests that Cook & Co. attend its meetings and receives from Cook & Co., on an annual basis, an in-depth update on general and retail industry compensation trends and developments.

In addition, in fiscal 2016, the Compensation Committee asked Cook & Co. to evaluate the risk inherent in our executive and non-executive compensation programs. Their report concluded that, among other things:

- The company s executive compensation program is designed to encourage behaviors aligned with the long-term interests of stockholders;
- There is appropriate balance in short-term versus long-term pay, cash versus equity, recognition of corporate versus business unit performance, financial versus non-financial goals, and use of formulas and discretion; and
- Policies are in place to mitigate compensation risk, such as stock ownership guidelines, insider trading prohibitions and disclosure requirements, and independent Compensation Committee oversight.

After considering this evaluation, the Compensation Committee concluded that our compensation programs do not encourage executives to take on business and operating risks that are reasonably likely to have a material adverse effect on the company.

Role of Market Data

The Compensation Committee, the Chief Executive Officer and management believe that knowledge of general market practices and the specific compensation practices of our proxy peer group, listed below, is important in assessing the design and competitiveness of our compensation package. When market data is reviewed, it is considered as a reference point, rather than a fixed policy, for compensation positioning and decision-making. We do not set compensation to meet specific benchmarks or percentiles. For fiscal 2016, our executives target total direct compensation is at or above the 75^{th} percentile of our proxy peer group. When target total direct compensation was set at the beginning of fiscal 2016, the Compensation Committee confirmed the resulting competitive positioning was appropriate for our executives given our strong operating performance and sustained revenue and earnings growth in recent years. In addition, the Compensation Committee determined that setting total direct compensation at this level is appropriate given the executives continued strong performance and valuable experience operating in our complex multi-channel business model.

Our Proxy Peer Group

The Compensation Committee uses a peer group composed of public companies in the retail industry to review competitive compensation data for the company s executives. The Compensation Committee evaluates this proxy peer group on an annual basis to ensure that the companies selected remain appropriate. The proxy peer group for fiscal 2016 was selected by the Compensation Committee based on the guiding criteria described below, with advice from Cook & Co. Certain proxy peer companies may not meet all selection criteria, but are included

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because they are direct competitors of our business, direct competitors for our executive talent, have a comparable business model, or for other reasons. The proxy peer group guiding criteria for fiscal 2016 was as follows:

1. Company Classification in the Global Industry Classification Standard in one of the following:

   Home Furnishing Retail;

   Apparel Retail; or

   Department Stores;

2. Revenues between $1.5 billion and $14 billion;

3. Market capitalization greater than $250 million and less than $40 billion;

4. Current peer listed by a proxy advisory firm;

5. Among the top 100 e-retailers or an operator of multiple brands; and

6. Positive total stockholder return over the last one and three year periods.

Our Fiscal 2016 Proxy Peer Group

For fiscal 2016, the Compensation Committee reviewed the proxy peer group guiding criteria against our current revenues and market capitalization. In addition, the Compensation Committee considered compensation peer companies used by proxy advisory firms, other major e-retailers, and other major retailers with sustained positive total stockholder return. Upon completion of its review, the Compensation Committee made the following changes to the proxy peer group for fiscal 2016.

The Compensation Committee added three companies to the peer group: Ralph Lauren Corporation, Levi s Strauss & Co, and V.F. Corporation, as these companies meet our guiding criteria. Additionally, V.F. Corporation was added as a successful multi-brand operator, and Levi s Strauss & Co was added due to its geographic proximity to our headquarters and direct competition for talent.

Ann Inc. was removed from the proxy peer group for fiscal 2016 following its purchase by Ascena Retail Group. Pier 1 Imports, Inc. and Abercrombie & Fitch & Co. were removed from the proxy peer group for fiscal 2016 as the Committee determined these companies did not meet our performance criteria.

For fiscal 2016, our proxy peer group consisted of the following 15 public companies:

American Eagle Outfitters, Inc.	Nordstrom, Inc.
Bed Bath & Beyond Inc.	Ralph Lauren Corporation
Coach, Inc.	RH
Foot Locker, Inc.	Ross Stores, Inc.
The Gap, Inc.	Tiffany & Co.
L Brands, Inc.	Urban Outfitters, Inc.
Levi Strauss & Co.	V.F. Corporation
lululemon athletica inc.	

The following table provided by Cook & Co., based on publicly available information as of April 3, 2017, provides a financial overview of the proxy peer group companies in order to compare their revenues, net income, and market capitalization as a group relative to the company.

	Latest 4 Qtr Net Revenue (in millions)	Latest 4 Qtr Net Income (in millions)	Market Capitalization (in millions) (as of 2/1/2017)
75th Percentile	$ 12,337	$ 698	$ 10,377
Average	$ 7,953	$ 526	$ 9,912
Median	$ 6,958	$ 446	$ 9,014
25th Percentile	$ 3,806	$ 255	$ 6,281
Williams-Sonoma, Inc.	$ 5,084	$ 305	$ 4,167

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Components of Our Compensation Program, 2016 Decisions and the Decision-Making Process

Our compensation program for our Named Executive Officers is made up of the four components listed below, which are designed to create long-term value for stockholders and to attract, motivate and retain outstanding executives.

Compensation Component	*Purpose*
Base Salary	Provides a competitive minimum level of fixed compensation based on an executive s role and responsibilities.
Annual Cash Bonus	Motivates and rewards achievement toward our annual business and strategic objectives with cash that varies based on results.
Long-Term Incentives (e.g. equity compensation awards)	Encourage our executive team to work toward the company s long-term growth, provide variable payout opportunities that reward the creation of sustained and long-term earnings growth and stockholder value, and offer meaningful incentives to remain with the company.
Benefits	Enhance our compensation program with significant and market-competitive health, welfare, financial and retirement benefits.

Base Salary

In March 2016, the Compensation Committee reviewed and set the fiscal 2016 base salaries of our Named Executive Officers based on overall company performance and performance relative to our proxy peer companies, an analysis of each executive s position relative to executives in our proxy peer group, other market data, each executive s experience (as well as past, current and anticipated contributions to the company s success), and the Chief Executive Officer s recommendations (other than with respect to her own base salary). Following review, the base salaries for each of our Named Executive Officers remained unchanged.

In executive session at a meeting in March 2016, without the Chief Executive Officer present, the Compensation Committee reviewed Ms. Alber s base salary. The Compensation Committee concluded that Ms. Alber s base salary would remain unchanged for fiscal 2016.

The following table shows the fiscal 2015 and fiscal 2016 base salaries for our Named Executive Officers.

Named Executive Officer	**Fiscal 2015 Base Salary**	**Fiscal 2016 Base Salary**
Laura J. Alber	$ 1,400,000	$ 1,400,000
Julie P. Whalen	$ 750,000	$ 750,000
Sandra N. Stangl	$ 1,100,000	$ 1,100,000
Janet M. Hayes	$ 925,000	$ 925,000
James W. Brett	$ 1,000,000	$ 1,000,000

Annual Cash Bonus

Cash bonuses are awarded to our Named Executive Officers under the 2001 Incentive Bonus Plan, or the Bonus Plan.

At the beginning of each fiscal year, the Compensation Committee reviews and establishes individual bonus targets for each Named Executive Officer and threshold, target and maximum EPS goals under the Bonus Plan which determine the funding pool from which executive bonuses are paid.

In addition, the Compensation Committee sets a primary performance goal that must be achieved, which establishes the maximum bonus payable under the Bonus Plan to each Named Executive Officer subject to the Compensation Committee s discretion to reduce such amount. For fiscal 2016, this goal was positive net cash flow provided by operating activities as reported in the company s consolidated statements of cash flows. This

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primary goal was met in fiscal 2016, and the Compensation Committee used negative discretion to determine the actual payout to each Named Executive Officer based on achievement of the EPS goal and each individual s performance, as described below.

Fiscal 2016 Bonus Targets

At a meeting held in March 2016, the Compensation Committee reviewed the bonus targets under the Bonus Plan for each Named Executive Officer. The Compensation Committee considered the recommendations of the Chief Executive Officer, which were informed by the following factors:

- Each executive s respective responsibilities;
- The bonus targets set by our proxy peers;
- The relationship of the bonus target to other compensation elements; and
- Whether the established bonus targets are effective in motivating our executives to deliver strong performance.

The target bonuses as a percentage of base salary under the Bonus Plan remained unchanged for fiscal 2016.

In executive session at a meeting in March 2016, without the Chief Executive Officer present, the Compensation Committee reviewed Ms. Alber s bonus target and concluded that her bonus target would remain unchanged for fiscal 2016 as her target total cash compensation is properly positioned.

The target bonuses as a percentage of base salary under the Bonus Plan for fiscal 2015 and fiscal 2016 are listed below for each Named Executive Officer.

Named Executive Officer	**Fiscal 2015 Target Bonus (as a Percentage of Base Salary)**	**Fiscal 2016 Target Bonus (as a Percentage of Base Salary)**
Laura J. Alber	150%	150%
Julie P. Whalen	100%	100%
Sandra N. Stangl	100%	100%
Janet M. Hayes	100%	100%
James W. Brett	100%	100%

Our Bonus Performance Goal EPS

The pool from which executive bonuses are paid depends on our achievement of EPS guidelines established by the Compensation Committee. For fiscal 2016, the Compensation Committee set a diluted EPS target of $3.55 (excluding extraordinary non-recurring charges or unusual items and the effect of changes in accounting principles). The target performance goal required significant improvement over fiscal 2015 results. The threshold goal also required an overall increase in annual EPS over fiscal 2015 results. For fiscal 2016, we achieved performance below target but above threshold resulting in a lower bonus payout to Ms. Alber. Bonus amounts for Ms. Whalen, Ms. Hayes and Mr. Brett reflect performance against individual and business unit goals. Ms. Stangl did not earn a bonus for fiscal 2016 as she was not employed on the date that bonuses were paid, as provided under the Bonus Plan.

Individual Bonus Objectives

In addition to EPS results, individual performance is assessed in order to determine the payout of bonuses. The Compensation Committee believes that the achievement of individual objectives is critical to the overall success of the company and, as such, bonuses are paid, in part, to reflect individual achievement. For example, if an executive fails to fully meet some or all individual objectives, the executive s bonus may be significantly reduced or even eliminated. Conversely, if the objectives are overachieved, awards may be subject to less or no reduction from the maximum amount payable to the executive based on our achievement of the primary positive net cash flow goal described above.

The Compensation Committee decides the bonus amount, if any, for the Chief Executive Officer in an executive session in which the Chief Executive Officer is not present. In March 2017, the Compensation Committee reviewed the fiscal 2016 performance of each Named Executive Officer and considered the recommendations of the Chief Executive Officer for Named Executive Officers other than herself. For fiscal 2016, the Compensation Committee approved the bonus payments in the table below under the Bonus Plan for each Named Executive Officer, which were informed by the following factors:

Achievement of EPS and other financial results; and

A qualitative assessment of each executive s leadership accomplishments in the fiscal year (noting that accomplishments that increase stockholder return or that significantly impact future stockholder return are significant factors in the assessment of individual performance).

Named Executive Officer	Fiscal 2016 Bonus Amount*	Fiscal 2016 Actual Bonus (as a Percentage of Target)
Laura J. Alber	$ 2,400,000	114%
Julie P. Whalen	$ 700,000	93%
Sandra N. Stangl		
Janet M. Hayes	$ 1,300,000	141%
James W. Brett	$ 1,800,000	180%

* Reflects the Compensation Committee s exercise of discretion to reduce the maximum amount payable to the executive under the Bonus Plan for fiscal 2016.

Long-Term Incentives

The third component of the company s compensation program is long-term equity compensation. The Compensation Committee believes that equity compensation awards encourage our executives to work toward the company s long-term business and strategic objectives and to maximize long-term stockholder returns. In addition, the Compensation Committee believes that equity awards incentivize executives to remain with the company.

In fiscal 2016, equity was granted to our Named Executive Officers in the form of PSUs and RSUs. PSUs were granted with a cumulative three-year earnings target based on earnings growth and a cliff vesting schedule of 100% at the end of a three-year performance period. PSUs earned are variable based on actual earnings performance relative to target with no PSUs earned for below threshold performance, 50% of target earned for threshold performance, 100% of target earned for target performance, and 200% of target earned for maximum performance and above. RSUs were granted with a performance-based vesting requirement and a time-based vesting schedule of 25% per year over four years. The Compensation Committee believes that granting equity in the form of RSUs and PSUs drives strong performance, aligns each executive s interests with those of stockholders, and provides an important and powerful retention tool. In determining the long-term incentive awards for fiscal 2016, the Compensation Committee considered relevant market data, the strong performance of the executive team, and the unvested value of equity awards remaining in fiscal 2016. The target number of PSUs granted to our Chief Executive Officer represented 50% of the total number of equity awards granted to her in fiscal 2016, which is in line with market practice among our peer group. For our other Named Executive Officers, the PSUs represented 30% of the total number of equity awards granted to each of them.

The Compensation Committee established the three-year earnings growth goals for the PSUs by reference to our three-year earnings growth plan, which was presented to and reviewed by our Board of Directors. We believe that the goals were set at challenging levels and are aligned with the long-term interests of our stockholders.

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The performance criterion for the fiscal 2016 performance-based RSUs required that the company achieve positive net cash flow provided by operating activities in fiscal 2016 as provided on the company s consolidated statements of cash flows. The performance criterion for fiscal 2016 was achieved.

In determining the type and number of equity awards granted to each Named Executive Officer, the Compensation Committee considered the recommendations of the Chief Executive Officer, which were based on:

- The executive s performance and contribution to the profitability of the company;
- The type and number of awards previously granted to each executive;
- The executive s outstanding equity awards;
- The vesting schedule of the executive s outstanding equity awards;
- The relative value of awards offered by peer companies to executives in comparable positions;
- The appropriate mix between long-term incentive awards and other types of compensation, such as base salary and bonus; and
- Additional factors, including increased responsibilities, succession planning and retention strategy.

The Compensation Committee believes that each factor influences the type and number of shares appropriate for each individual and that no one factor is determinative.

In determining the long-term incentive grant for the Chief Executive Officer, the Compensation Committee took into account a number of factors, including the company s performance and the assessment by the Compensation Committee of the Chief Executive Officer s performance.

Equity grants approved by the Compensation Committee in April 2016 were as follows:

Named Executive Officer	Number of Restricted Stock Units	Number of Performance Stock Units (at Target)
Laura J. Alber	82,088	82,088
Julie P. Whalen	22,984	9,850
Sandra N. Stangl	42,521	18,223

Janet M. Hayes	34,477	14,775
James W. Brett	42,521	18,223

PSUs Granted in Fiscal 2014

In fiscal 2014, the Compensation Committee granted PSUs to our Chief Executive Officer and Named Executive Officers. The Chief Executive Officer received PSUs weighted at 70% of her long-term incentives and the Named Executive Officers received PSUs weighted at 20% of each of their long-term incentives. The PSUs granted in fiscal 2014 were granted with a cumulative three-year earnings growth target based on EPS growth. Additionally, for purposes of calculating the EPS growth rate, outstanding shares were held constant throughout the three-year period and only unusual business events identifiable upon grant were able to be excluded from the calculation. Therefore, as a result of a significant impact from an unforeseen port slowdown on the west coast beginning in late fiscal 2014, as well as the shares being held constant for calculation purposes, the threshold cumulative three-year earnings growth rate of 7% was not satisfied and the PSUs did not vest.

Benefits Provided to Named Executive Officers

All of the benefits offered to our Named Executive Officers are offered broadly to our full-time associates, except that a limited number of company executives are provided with reimbursement of financial consulting services up to $12,000 annually. The Compensation Committee believes that providing this assistance is prudent given the complexity of these executives compensation and financial arrangements and helps our Named Executive Officers maximize the compensation we pay to them. The value of the benefits offered to each of the Named Executive Officers is detailed in the Other Annual Compensation from Summary Compensation Table on page 52. As noted previously, the company does not provide any income tax gross-ups to Named Executive Officers on any benefits.

Additional Information

Executive Stock Ownership Guidelines

The Compensation Committee has established stock ownership guidelines for our Named Executive Officers. Executive stock ownership supports the company s primary objective of creating long-term value for stockholders by aligning the executives interests directly with those of the company s stockholders. Each executive is expected to maintain this minimum ownership while employed with us. The current guidelines for stock ownership are:

Chief Executive Officer and President:	Five times Base Salary
Other Named Executive Officers:	Two times Base Salary

The following equity holdings count toward the stock ownership guidelines: shares directly owned by the executive or his or her immediate family members; shares held in trust or any similar entity benefiting the executive or the executive s immediate family; and shares owned through the Williams-Sonoma, Inc. 401(k) Plan. Unexercised stock appreciation rights, unexercised stock options, and unvested restricted stock units or other full-value awards do not count towards the stock ownership guidelines listed above.

Executives covered under the ownership guidelines are required to retain at least 50% of the net after-tax shares received as a result of the release of restricted stock units until the applicable ownership guideline has been achieved. All of our Named Executive Officers meet or exceed the revised stock ownership guidelines or comply with the stock retention requirements for vested restricted stock units that are designed to bring the executive up to the applicable ownership level.

Double-Trigger Change of Control Provisions

Each of our Named Executive Officers is entitled to double-trigger change of control benefits under our 2012 EVP Level Management Retention Plan, other than our Chief Executive Officer, who is entitled to such benefits under an individual arrangement. None of our Named Executive Officers are provided with any type of golden parachute excise tax gross-up. We believe that our change of control arrangements are competitive compensation practices and meet the company s objectives of:

Enhancing our ability to retain these key executives as such arrangements are an important component of competitive compensation programs;

Ensuring that our executives remain objective and fully dedicated to the company s business and strategic objectives at a critical time; and

Facilitating a smooth transition should a change in control occur.

The Compensation Committee has considered the total potential cost of the change of control arrangements provided to our Named Executive Officers and has determined that such cost is reasonable and reflects the importance of the objectives described above.

Severance Protection for the Chief Executive Officer

As described in the section titled Employment Contracts and Termination of Employment and Change-of-Control Arrangements beginning on page 57, we have entered into severance arrangements with Ms. Alber providing for certain severance benefits in the event of a termination of her employment. The Compensation

Committee implemented these arrangements to ensure that she remains focused on the company s business and strategic objectives rather than potential personal economic exposure under these particular circumstances. The Compensation Committee has considered the total potential cost of her severance benefits and determined them to be reasonable.

RSU and PSU Vesting Provisions Upon Retirement

Grants of RSUs, including the performance-based RSUs granted to our Named Executive Officers, include an acceleration feature that provides for full vesting upon retirement, which is defined as leaving the company at age 70 or later, with a minimum of 15 years of service. Grants of PSUs granted to our Named Executive Officers vest on a pro-rata basis subject to achievement of the applicable performance goals in the event of such a retirement. Currently, none of our Named Executive Officers are retirement eligible.

Clawback Policy Following Financial Restatement

We do not have a formal policy regarding recovery of past payments or awards in the event of a financial restatement, but in such event, the Compensation Committee will review all performance-based compensation and consider initiating recovery of any favorably impacted performance-based compensation in appropriate circumstances. Additional remedial actions could include an executive s termination of employment. Further, we intend to implement any recovery policies required by applicable law, including anticipated SEC rulemaking under the Dodd-Frank Act.

Internal Revenue Code Section 162(m)

Internal Revenue Code Section 162(m) disallows the deduction of compensation paid to certain executives in excess of $1,000,000 unless it is qualified performance-based compensation. The Compensation Committee reviews the potential impact of Section 162(m) as it constructs the compensation program and in relation to the level of each element of compensation, but reserves the right to pay non-deductible compensation where appropriate to achieve our business objectives. Bonuses awarded to our executives in fiscal 2016 under our Bonus Plan, as well as the equity awards granted to our executives, are intended to qualify as performance-based compensation. However, because of the fact-based nature of the qualified performance-based compensation exception and the limited availability of binding guidance thereunder, we cannot guarantee that any compensation intended to qualify as deductible performance-based compensation so qualifies.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on this review and discussion with management, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in the company s Annual Report on Form 10-K for fiscal 2016.

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

Adrian D.P. Bellamy, Chair

Rose Marie Bravo

Anthony A. Greener

Lorraine Twohill

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Summary Compensation Table for Fiscal 2016, Fiscal 2015 and Fiscal 2014

This table sets forth the annual and long-term compensation earned by our Named Executive Officers.

Name and Principal Position	Fiscal Year	Salary ($)(1)	Bonus ($)	Stock Awards ($)(2)(3)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)(4)	All Other Compensation ($)(5)	Total ($)
Laura J. Alber	2016	$ 1,400,000		$ 9,999,960		$ 2,400,000	$ 23,419	$ 13,823,379
Director, President	2015	$ 1,373,077		$ 9,999,857		$ 2,600,000	$ 22,391	$ 13,995,325
and Chief Executive Officer	2014	$ 1,409,619		$ 9,999,937		$ 3,250,000	$ 19,660	$ 14,679,216
Julie P. Whalen	2016	$ 750,000		$ 1,999,919		$ 700,000	$ 28,398	$ 3,478,317
Executive Vice	2015	$ 736,538		$ 1,799,898		$ 650,000	$ 33,748	$ 3,220,184
President, Chief Financial Officer	2014	$ 742,458		$ 1,799,951		$ 800,000	$ 68,095	$ 3,410,504
Sandra N. Stangl	2016	$ 1,100,000		$ 3,699,917		$	$ 29,241	$ 4,829,158
Former President, Pottery Barn	2015	$ 1,100,000		$ 3,699,871		$ 1,000,000	$ 27,972	$ 5,827,843
Brands	2014	$ 1,160,945		$ 3,699,952		$ 1,600,000	$ 115,202	$ 6,576,099
Janet M. Hayes	2016	$ 925,000		$ 2,999,939		$ 1,300,000	$ 113,879	$ 5,338,818
President, Williams Sonoma	2015	$ 918,269		$ 2,599,886		$ 800,000	$ 58,141	$ 4,376,296
Brand	2014	$ 933,737		$ 2,499,984		$ 1,300,000	$ 228,589	$ 4,962,310
James W. Brett(6)	2016	$ 1,000,000		$ 3,699,917		$ 1,800,000	$ 176,015	$ 6,675,932
President, West Elm Brand	2015	$ 973,077		$ 3,499,873		$ 1,800,000	$ 89,488	$ 6,362,438

(1) Variances in the salary column versus annual base salary are a result of the timing of paychecks issued in a given fiscal year and, for fiscal 2015, cash paid in lieu of unused vacation.

(2) Represents the grant date fair value of awards granted in fiscal 2016, fiscal 2015, and fiscal 2014, as calculated in accordance with FASB ASC Topic 718, by multiplying the closing price of our stock on the trading day prior to the grant date by the number of units granted. The number of restricted stock units and performance stock unit awards granted is determined by dividing the total monetary value of each award by the closing price of our common stock on the trading day prior to the grant date, rounding down to the nearest whole share.

(3) The amounts in the stock awards column include the fair market value of performance stock unit awards assuming probable achievement of the performance goal at target levels resulting in the following fair market values for the performance stock unit awards: Ms. Alber $4,999,980 (fiscal 2016), $4,999,929 (fiscal 2015) and $6,999,956 (fiscal 2014); Ms. Whalen $599,964 (fiscal 2016), $539,931 (fiscal 2015) and $359,965 (fiscal 2014); Ms. Stangl $1,109,963 (fiscal 2016), $1,109,931 (fiscal 2015) and $739,953 (fiscal 2014); Ms. Hayes $899,945 (fiscal 2016), $779,943 (fiscal 2015) and $499,997 (fiscal 2014); and Mr. Brett $1,109,963 (fiscal 2016) and $749,951 (fiscal 2015). Assuming maximum achievement of the performance goal, the fair market value of those performance stock units would be: Ms. Alber $9,999,960 (fiscal 2016), $9,999,858 (fiscal 2015) and $13,999,912 (fiscal 2014); Ms. Whalen $1,199,927 (fiscal 2016), $1,079,862 (fiscal 2015) and $719,930 (fiscal 2014); Ms. Stangl $2,219,926 (fiscal 2016), $2,219,862 (fiscal 2015) and $1,479,906 (fiscal 2014); Ms. Hayes $1,799,891 (fiscal 2016), $1,559,886 (fiscal 2015) and $999,994 (fiscal 2014); and Mr. Brett $2,219,926 (fiscal 2016) and $1,499,902 (fiscal 2015).

(4) Represents amounts earned under the Company s 2001 Incentive Bonus Plan for fiscal 2016, fiscal 2015, and fiscal 2014.

(5) Details are provided in the Other Annual Compensation from Summary Compensation Table on page 52.

(6) Mr. Brett became a Named Executive Officer in fiscal 2015.

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Other Annual Compensation from Summary Compensation Table

This table sets forth the compensation and benefits included under All Other Compensation in the Summary Compensation Table above.

	Fiscal Year	Life Insurance Premiums(1)	Matching Contribution to the 401(k) Plan(2)	Car Allowance	Executive Financial Services	Dividend Equivalent Payments(3)	Total
Laura J. Alber	2016	$ 3,510	$ 7,923	$ 6,000	$ 5,986		$ 23,419
	2015	$ 3,510	$ 6,481	$ 6,000	$ 6,400		$ 22,391
	2014	$ 3,510	$ 7,500	$ 6,000	$ 2,650		$ 19,660
Julie P. Whalen	2016	$ 2,610	$ 7,788	$ 6,000	$12,000		$ 28,398
	2015	$ 2,301	$ 7,096	$ 6,000	$12,000	$ 6,351	$ 33,748
	2014	$ 1,519	$ 7,942	$ 6,000	$12,000	$ 40,634	$ 68,095
Sandra N. Stangl	2016	$ 3,510	$ 7,731	$ 6,000	$12,000		$ 29,241
	2015	$ 3,510	$ 6,462	$ 6,000	$12,000		$ 27,972
	2014	$ 3,510	$ 7,942	$ 6,000	$12,000	$ 85,750	$ 115,202
Janet M. Hayes	2016	$ 3,240	$ 7,755	$ 6,000	$12,000	$ 84,884	$ 113,879
	2015	$ 3,215	$ 6,808	$ 6,000	$ 9,092	$ 33,026	$ 58,141
	2014	$ 2,938	$ 8,065	$ 6,000	$ 2,908	$ 208,678	$ 228,589
James W. Brett	2016	$ 3,510	$ 8,335		$12,000	$ 152,170	$ 176,015
	2015	$ 3,398	$ 5,952		$12,000	$ 68,138	$ 89,488

(1) Premiums paid by us for term life insurance in excess of $50,000 for each fiscal year.

(2) Represents company matching contributions under our 401(k) plan. Similar to our other full-time employees, Named Executive Officers were eligible to participate in our 401(k) plan and received matching contributions from the company of up to $7,950 during calendar 2016. Matching amounts above this maximum are due to differences between calendar and fiscal year contributions.

(3) Amounts only include any dividend equivalent payments for any outstanding equity award not disclosed at the time of grant in the executive compensation tables of a prior proxy statement. Excludes the following dividend equivalent payments, which were previously factored into the grant date fair value for such disclosed equity award: Ms. Alber $573,509 (fiscal 2016), $251,064 (fiscal 2015) and $1,181,901 (fiscal 2014); Ms. Whalen $180,601 (fiscal 2016), $26,017 (fiscal 2015) and $59,956 (fiscal 2014); Ms. Stangl $199,576 (fiscal 2016), $87,833 (fiscal 2015) and $66,205 (fiscal 2014); Ms. Hayes $63,486 (fiscal 2016), $35,111 (fiscal 2015) and $13,252 (fiscal 2014) and Mr. Brett $12,579 (fiscal 2016).

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Grants of Plan-Based Awards

This table sets forth certain information regarding all grants of plan-based awards made to the Named Executive Officers during fiscal 2016.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Option Awards
	Grant Date	Compensation Committee Approval Date	Threshold ($)	Target ($)(1)(2)	Maximum ($)(2)	Threshold (#)	Target (#)	Maximum (#)	(#)	($)(3)
Laura J. Alber				$ 2,100,000	$ 10,000,000					
	4/18/2016	3/23/2016(4)							82,088	$ 4,999,980
	4/18/2016	3/23/2016(5)				41,044	82,088	164,176		$ 4,999,980
Julie P. Whalen				$ 750,000	$ 10,000,000					
	4/18/2016	3/23/2016(4)							22,984	$ 1,399,955
	4/18/2016	3/23/2016(5)				4,925	9,850	19,700		$ 599,964
Sandra N. Stangl				$ 1,100,000	$ 10,000,000					
	4/18/2016	3/23/2016(4)							42,521	$ 2,589,954
	4/18/2016	3/23/2016(5)				9,111	18,223	36,446		$ 1,109,963
Janet M. Hayes				$ 925,000	$ 10,000,000					
	4/18/2016	3/23/2016(4)							34,477	$ 2,099,994
	4/18/2016	3/23/2016(5)				7,387	14,775	29,550		$ 899,945
James W. Brett				$ 1,000,000	$ 10,000,000					
	4/18/2016	3/23/2016(4)							42,521	$ 2,589,954
	4/18/2016	3/23/2016(5)				9,111	18,223	36,446		$ 1,109,963

(1) Target potential payment for each eligible executive pursuant to our established incentive targets.

(2) To ensure deductibility under our stockholder-approved 2001 Incentive Bonus Plan (intended to qualify as performance-based compensation under Internal Revenue Code Section 162(m)), the Compensation Committee specified a primary performance goal. For fiscal 2016, the Compensation Committee established the primary performance goal for the 2001 Incentive Bonus Plan as positive net cash provided by operating activities as provided on the company s consolidated statements of cash flows. The Compensation Committee also set a secondary performance goal to guide its use of discretion in determining whether to reduce bonus amounts from the maximum shown in the table above; the Compensation Committee typically expects to pay bonuses at target levels if the secondary performance goal is met at target. For fiscal 2016, the Compensation Committee set the secondary performance goal as an earnings per share target of $3.55 (excluding extraordinary non-recurring charges, and including any amounts payable to covered employees under the 2001 Incentive Bonus Plan). As further described in the Compensation Discussion and Analysis beginning on page 36, the 2001 Incentive Bonus Plan s primary performance goal was achieved and the secondary performance goal was achieved between threshold and target levels, and the Compensation Committee elected to apply its discretion in determining to reduce the actual amount to be paid to the Named Executive Officers under the 2001 Incentive Bonus Plan below the maximum potential payment shown in the table above.

(3) Represents the grant date fair value of restricted stock unit and performance stock unit awards granted in fiscal 2016, as calculated in accordance with FASB ASC Topic 718, by multiplying the closing price of our stock on the trading day prior to the grant date by the number of units granted. The number of restricted stock unit and performance stock units granted is determined by dividing the total monetary value of each award by the closing price of our common stock on the trading day prior to the grant date, rounding down to the nearest whole share.

(4) Grants of restricted stock units. See the section entitled Components of our Compensation Program, 2016 Decisions and the Decision Making Process Long-Term Incentives in the Compensation Discussion and Analysis beginning on page 47 and the footnotes to the Outstanding Equity Awards at Fiscal Year-End table for more information regarding these grants.

(5) Grants of performance stock units. See the section entitled Components of our Compensation Program, 2016 Decisions and the Decision Making Process Long-Term Incentives in the Compensation Discussion and Analysis beginning on page 47 and the footnotes to the Outstanding Equity Awards at Fiscal Year-End table for more information regarding these grants. The number of performance stock units granted appears in the Target column.

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Outstanding Equity Awards at Fiscal Year-End

The following tables set forth information regarding equity awards held by our Named Executive Officers on January 29, 2017.

	Option Awards(1)				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date
Laura J. Alber					
Julie P. Whalen	8,465			$ 40.87	4/5/2018
Sandra N. Stangl					
Janet M. Hayes					
James W. Brett					

(1) Includes grants of options and stock-settled stock appreciation rights.

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	Stock Awards			
	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested ($)(1)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that have not Vested ($)(1)
Laura J. Alber	82,088(2)	$ 3,899,180		
			82,088(3)	$3,899,180
	49,013(4)	$ 2,328,118		
			65,350(5)	$3,104,125
	23,973(6)	$ 1,138,718		
	0(7)	$ 0		