

Ascena Retail Group, Inc.
Form DEF 14A
November 05, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (DEF 14A)**

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
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Definitive Proxy
Statement

Definitive Additional
Materials

Soliciting Material
Pursuant to
§240.14a-12

**Ascena Retail Group,
Inc.**

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee
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No fee required.

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Date Filed:

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NOTICE OF ANNUAL

MEETING OF STOCKHOLDERS

To Be Held On December 12, 2013

Dear Stockholder:

You are cordially invited to attend the 2013 Annual Meeting of Stockholders (the “Annual Meeting”) of Ascena Retail Group, Inc., a Delaware corporation (“Ascena”), to be held at 3:30 p.m. local time, on Thursday, December 12, 2013 at the Crowne Plaza, 3 Executive Boulevard, Suffern, New York 10901.

The Annual Meeting will be held for the following purposes:

1. to consider the election of two directors to serve on the board of directors for three-year terms and until their successors are duly elected and qualified (Proposal One);
2. to consider the approval, by non-binding vote, of the compensation paid to our named executive officers during fiscal 2013 (commonly known as a “say-on-pay” proposal) (Proposal Two);
3. to amend and restate the Company’s Executive 162(m) Bonus Plan and to re-approve the material terms of the performance goals for awards thereunder (Proposal Three);
4. to ratify the appointment of Deloitte & Touche LLP as our Independent Registered Public Accounting Firm for the fiscal year ending July 26, 2014 (Proposal Four); and
5. to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The board of directors has fixed the close of business on October 14, 2013 as the record date for the determination of the stockholders entitled to vote at the Annual Meeting or any adjournments or postponements thereof. Only stockholders of record at the close of business on that date will be entitled to notice of, and to vote at, the Annual Meeting.

BY ORDER OF
THE BOARD OF
DIRECTORS

By: Elliot S. Jaffe
Elliot S. Jaffe

Non-Executive
Chairman of the
Board

Dated: November 5, 2013

YOU MAY VOTE IN PERSON AT THE ANNUAL MEETING OR BY PROXY. ASCENA RECOMMENDS THAT YOU VOTE BY PROXY EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING. PLEASE VOTE BY FOLLOWING THE INSTRUCTIONS ON THE ENCLOSED PROXY CARD. YOU MAY VOTE BY MAIL, BY TELEPHONE OR OVER THE INTERNET. IF YOU CHOOSE TO VOTE BY MAIL, PLEASE COMPLETE THE PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. IF YOUR SHARES ARE HELD IN STREET NAME BY A BROKER, BANK OR OTHER NOMINEE, AND YOU DECIDE TO ATTEND AND VOTE YOUR SHARES AT THE ANNUAL MEETING, YOU MUST OBTAIN A SIGNED AND PROPERLY EXECUTED PROXY FROM YOUR BROKER, BANK OR OTHER NOMINEE TO VOTE YOUR SHARES HELD IN STREET NAME AT THE ANNUAL MEETING.

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ASCENA RETAIL GROUP, INC.

30 DUNNIGAN DRIVE

SUFFERN, NEW YORK 10901

PROXY STATEMENT

In this proxy statement, the terms “we,” “us” and “our” refer to the Ascena Retail Group, Inc., a Delaware corporation (“Ascena” or the “Company”), and its consolidated subsidiaries, Tween Brands, Inc., referred to as “Justice”, Lane Bryant, Inc., referred to as “Lane Bryant”, Maurices Incorporated, referred to as “maurices”, The Dress Barn, Inc., referred to as “dressbarn”, and Catherines Stores Corporation, referred to as “Catherines”.

General

The enclosed proxy is solicited by the board of directors (the “Board”) of Ascena for use at our 2013 Annual Meeting of Stockholders (the “Annual Meeting”) to be held at 3:30 p.m. local time, on Thursday, December 12, 2013 at the Crowne Plaza, 3 Executive Boulevard, Suffern, New York 10901, and any and all adjournments or postponements thereof. This proxy statement and form of proxy, along with our Annual Report for the fiscal year ended July 27, 2013, are being mailed to our stockholders on or about November 5, 2013. You are receiving a proxy statement and proxy card from us because our records indicate that you owned shares of our common stock on October 14, 2013, the record date for the Annual Meeting.

Our Board is soliciting your proxy to be used at the Annual Meeting. When you sign the proxy card, you appoint two of our directors, David Jaffe and Klaus Eppler, as your representatives at the Annual Meeting. One or both of these individuals, or a substitute if necessary, will vote your shares at the Annual Meeting as you have instructed them on the proxy card. If you sign and deliver your proxy card, but you do not provide voting instructions, your proxy representative will vote in favor of the two nominees for director (Proposal One) and in favor of Proposals Two, Three and Four, and with respect to any other matter that may be presented at the Annual Meeting, in the discretion of the proxy representative. This way, your shares will be voted whether or not you attend the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you complete, sign and return your proxy card in advance of the Annual Meeting as your plans may change.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2013 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON DECEMBER 12, 2013

Copies of this proxy statement and our Annual Report for the fiscal year ended July 27, 2013 are also available online at <https://materials.proxyvote.com/04351G>.

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QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING

When and where will the Annual Meeting take place?

The Annual Meeting will be held on Thursday, December 12, 2013, at 3:30 p.m., at the Crowne Plaza, 3 Executive Boulevard, Suffern, New York 10901.

What is the purpose of the Annual Meeting?

At our Annual Meeting, holders of our common stock will be asked to vote on the following proposals:

1. election of two directors to serve on the Board for three-year terms and until their successors are duly elected and qualified (Proposal One);
2. to consider the approval, by non-binding vote, of the compensation paid to our named executive officers during fiscal 2013 (commonly known as a “say-on-pay” proposal) (Proposal Two);
3. to amend and restate the Company’s Executive 162(m) Bonus Plan and to re-approve the material terms of the performance goals for awards thereunder (Proposal Three);
4. ratification of the appointment of Deloitte & Touche LLP as our Independent Registered Public Accounting Firm for the fiscal year ending July 26, 2014 (Proposal Four); and
5. to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

What are the Board’s voting recommendations?

THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF THE TWO NOMINATED DIRECTORS, FOR THE SAY-ON-PAY PROPOSAL, FOR THE AMENDMENT AND RESTATEMENT OF THE COMPANY’S EXECUTIVE 162(m) BONUS PLAN AND THE RE-APPROVAL OF THE MATERIAL TERMS OF THE PERFORMANCE GOALS FOR AWARDS THEREUNDER AND FOR THE RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

Unless you give other instructions on your proxy card, the persons referred to as proxy holders on the proxy card will vote in accordance with the recommendations of the Board or, with respect to any other matter that may be presented at the Annual Meeting for which no recommendation is given, in their own discretion.

Could other matters be decided at the Annual Meeting?

Our bylaws require prior notification of a stockholder’s intent to request a vote on other matters at the Annual Meeting. The deadline for notification has passed, and we are not aware of any other matters that could be brought before the Annual Meeting. However, if any other business is properly presented at the Annual Meeting, your vote by proxy gives authority to David Jaffe and Klaus Eppler, the persons referred to as proxy holders on the proxy card (or a substitute if necessary), to vote your shares on such matters at their discretion.

Who is entitled to attend the Annual Meeting?

All stockholders who owned our common stock at the close of business on October 14, 2013 (the “Record Date”), or their duly appointed proxies, may attend the Annual Meeting or any adjournments or postponements thereof. Registration begins at 3:00 p.m. on the date of the Annual Meeting. If you attend, please note that you may be asked to present valid photo identification, such as a driver’s license or passport. Please note that if you hold your shares in

“street name” (that is, through a broker, bank or other nominee), you must obtain a signed and properly executed proxy from your broker, bank or other nominee to vote your shares held in street name at the Annual Meeting.

Who is entitled to vote at the Annual Meeting?

All stockholders who owned our common stock at the close of business on the Record Date are entitled to attend and vote at the Annual Meeting or at any adjournments or postponements thereof.

How many votes do I have?

You have one vote for each share of our common stock that you owned on the Record Date.

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How many votes must be present to hold the Annual Meeting?

The presence in person or by proxy of the holders of a majority of the outstanding shares of our common stock entitled to vote at the Annual Meeting will constitute a quorum for the transaction of business at the Annual Meeting. Once a share of the Company's common stock is represented for any purpose at the Annual Meeting, it is deemed present for quorum purposes for the Annual Meeting and for any adjournment of the Annual Meeting. Abstentions and broker "non-votes" are counted as present and entitled to vote for purposes of determining the presence or absence of a quorum for the transaction of business. A broker "non-vote" occurs when a broker or nominee holding shares for a beneficial owner does not vote on a proposal because the broker or nominee does not have the necessary voting power for that proposal and has not received instructions from the beneficial owner. In order for us to determine that enough votes will be present to hold the Annual Meeting, we urge you to vote in advance by proxy even if you plan to attend the Annual Meeting.

Assuming a quorum is present, how many votes will be required to approve each proposal?

- A plurality of the votes cast at the Annual Meeting will elect the two nominees to serve as directors;

The say-on-pay proposal will be approved, by non-binding vote, if the votes cast in favor the proposal exceed the votes cast in opposition to the proposal;

The amendment and restatement of the Company's Executive 162(m) Bonus Plan and the re-approval of the material terms of the performance goals for awards thereunder will be approved if the votes cast in favor of the proposal exceed the votes cast in opposition to the proposal; and

The proposal to ratify the appointment of the Independent Registered Public Accounting Firm will be approved if the votes cast in favor of the proposal at the Annual Meeting exceed the votes cast in opposition to the proposal.

A note about abstentions and broker non-votes: If your shares are held by a brokerage firm for you as beneficial owner and you do not vote your shares on Proposal One (election of directors), Two (the say-on-pay proposal), or Three (the amendment and restatement of the Company's Executive 162(m) Bonus Plan and the re-approval of the material terms of the performance goals for award thereunder), your brokerage firm cannot vote them for you. As of January 1, 2010, the NYSE rules were amended and brokers were no longer allowed to vote uninstructed shares for non-routine matters, such as director elections and executive compensation matters. Please make sure that you provide instructions to your broker regarding Proposals One, Two and Three. The ratification of the appointment of independent accountants remains a routine item under NYSE rules. As a result, brokers who do not receive instructions as to how to vote on Proposal Four may vote on that matter in their discretion.

What is the effect of a "broker non-vote" or abstention on the proposals to be voted on at the Annual Meeting?

Abstentions and broker non-votes will be considered as present for quorum purposes, but will have no impact on the vote on any of the proposals. We will still include your shares for purposes of determining whether a quorum is present.

How many votes may be cast by all stockholders?

A total of 160,554,714 votes may be cast at the Annual Meeting, consisting of one vote for each share of our common stock outstanding on the Record Date.

How do I vote?

You may vote in person at the Annual Meeting or vote by proxy as described below.

If you vote by proxy, your shares will be voted at the Annual Meeting in the manner you indicate. If you sign and return your proxy card, but do not specify how you want your shares to be voted, they will be voted for the two nominees named under the caption "PROPOSAL ONE – ELECTION OF DIRECTORS," and in accordance with management's recommendations, in favor of Proposals Two, Three and Four, and with respect to any other matter that may be presented at the Annual Meeting, in the discretion of the proxy holders named in your proxy card.

May I change or revoke my vote after I submit my proxy?

Yes. To change your vote previously submitted by proxy, you may:

Cast a new vote by mailing a new proxy card with a later date or by voting via the Internet or telephone on a later date; or

- If you hold shares in your name, attend the Annual Meeting and vote in person.

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If you wish to revoke rather than change your vote, written revocation must be received by our Corporate Secretary prior to the Annual Meeting.

What if I participate in the Company's 401(k) Savings Plan?

If you are a participant in the Company's 401(k) Savings Plan (the "401(k)") and own shares of the Company's common stock in your 401(k) account as of the Record Date, you will receive, with respect to the number of shares held for your account under the 401(k) as of the Record Date, a proxy card that will serve as a voting instruction to the trustee of the 401(k) with respect to shares held for your account. Unless the proxy card is signed and returned, shares held in your account under the 401(k) will not be voted.

How can I attend the Annual Meeting?

Stockholders as of the close of business on the Record Date may attend the Annual Meeting. You may obtain directions to the location of the Annual Meeting by contacting Ascena's Investor Relations Department at (845) 369-4600.

What happens if the Annual Meeting is postponed or adjourned?

If the Annual Meeting is postponed or adjourned and no new record date is set, your proxy will remain valid and may be voted when the Annual Meeting is convened or reconvened. You may change or revoke your proxy until it is voted.

Will your independent registered public accounting firm participate in the Annual Meeting?

Yes. Our independent registered public accounting firm is Deloitte & Touche LLP. A representative of Deloitte & Touche LLP will be present at the Annual Meeting, available to answer any questions you may have and will have the opportunity to make a statement.

Are members of the Board required to attend the Annual Meeting?

Directors are encouraged, but not required, to attend the Annual Meeting. All of our directors attended the 2012 Annual Meeting of Stockholders.

Who will pay the expenses incurred in connection with the solicitation of my vote?

We pay all costs and expenses related to preparation of these proxy materials and solicitation of your vote and all Annual Meeting expenses. None of our directors, officers or employees will be specially compensated for these activities. We reimburse brokers, fiduciaries and custodians for their costs in forwarding proxy materials to beneficial owners of our common stock, but we will not pay any compensation for their services.

Why did I receive more than one set of proxy materials?

You may receive multiple sets of proxy materials if you hold your shares of our common stock in multiple accounts (such as through a brokerage account and an employee benefit plan, such as the 401(k)). **To ensure all your shares are represented at the Annual Meeting, please vote your shares as instructed in each proxy or instruction card you receive.**

If your household is receiving multiple copies of our annual report or proxy statement and you wish to request delivery of a single copy, you may send a written request to: **Ascena Retail Group, Inc., 30 Dunnigan Drive, Suffern, New York 10901, Attention: Investor Relations.**

How do I obtain a separate set of proxy materials if I share an address with other stockholders?

In order to reduce printing and postage costs, only one annual report and proxy statement is being delivered to multiple stockholders sharing an address unless we received contrary instructions from one or more of the stockholders sharing that address. If your household has received only one annual report and one proxy statement, we will promptly deliver a separate copy of the annual report and proxy statement to any stockholder who sends a written request to: **Ascena Retail Group, Inc., 30 Dunnigan Drive, Suffern, New York 10901, Attention: Investor Relations.** If you wish to receive a separate annual report and proxy statement in the future, you can notify us by mailing a written request to the address above or by calling our Investor Relations Department at (845) 369-4600.

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Can I view these proxy materials electronically?

Yes. You may access the proxy statement and our annual report at <https://materials.proxyvote.com/04351G>. In addition to the fiscal 2013 proxy statement and annual report, you can view all of our other filings with the Securities and Exchange Commission (the “SEC”) on our website at the “for investors” page at www.ascenaretail.com, accessible through the “Investor Relations Menu.”

How can I receive copies of the Company’s year-end SEC filings?

We will furnish without charge to any stockholder who requests, in writing, a copy of this proxy statement and/or our Annual Report on Form 10-K, including financial statements and related schedules, for the fiscal year ended July 27, 2013, as filed with the SEC. Any such request should be directed to **Ascena Retail Group, Inc., 30 Dunnigan Drive, Suffern, New York 10901, Attention: Investor Relations.**

How do stockholders submit proposals for the Company’s 2014 Annual Meeting of Stockholders?

Proposals of stockholders intended to be presented at the 2014 Annual Meeting of Stockholders and desired to be included in our proxy statement for that meeting must be received by our **Corporate Secretary, c/o Ascena Retail Group, Inc., 30 Dunnigan Drive, Suffern, New York 10901**, by no later than July 8, 2014 in order to be included in such proxy statement. Any such proposal must also meet the other requirements of the rules of the SEC relating to stockholder proposals. Generally, if written notice of any stockholder proposal intended to be presented at the 2014 Annual Meeting of Stockholders, and not included in our proxy statement for that meeting, is not delivered to the Corporate Secretary at the above address by July 8, 2014, or if such notice does not contain the information required by Section 7 of Article II of our bylaws, the chair of the meeting may declare that such stockholder proposal be disregarded.

Can I see a list of stockholders entitled to vote at the Annual Meeting?

A complete list of the stockholders entitled to vote at the Annual Meeting is available for inspection at the principal office of the Company upon written request to the Company by a stockholder, and at all times during the Annual Meeting at the place of the Annual Meeting.

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QUESTIONS AND ANSWERS ABOUT OUR BOARD AND CORPORATE GOVERNANCE MATTERS

What is the makeup of the Board and how often are members elected?

Our Board currently has seven members, divided into three classes, each with a staggered three-year term of office. Only two directors, Elliot S. Jaffe and Michael W. Rayden, whose terms are expiring as of the date of the Annual Meeting, shall stand for election this year.

How often did the Board meet in fiscal 2013?

The Board met six times during fiscal 2013 and otherwise accomplished its business through the work of the committees described below. Each incumbent director attended at least 75% of the meetings of the Board and of the standing committees of which he or she was a member during fiscal 2013.

Do the non-management directors meet in regularly scheduled executive sessions?

Yes. The non-management members of our Board meet in regularly scheduled executive sessions without any members of management present.

Does the Company have any formal policies or requirements concerning Board Leadership?

We do not have a formal policy regarding the separation of our Non-Executive Chairman and our Chief Executive Officer (“CEO”) positions. Currently, Elliot S. Jaffe serves as Non-Executive Chairman while David Jaffe serves as President and CEO. The Company believes that separating the Non-Executive Chairman and CEO roles conforms to corporate governance best practices.

How does the Board determine which directors are independent?

Our Board determines whether an individual director satisfies all of the independence standards of the SEC and the NASDAQ Global Select Market, as such standards may be amended from time to time, and also that the director has no material relationship with us (either directly or as a partner, stockholder or officer of any entity) that would be inconsistent with a finding of independence.

Which directors have been designated as independent?

Based on the analysis described below under the caption “Independence Determinations,” the Board affirmatively determined that a majority of the directors who will continue to serve on the Board following the Annual Meeting are independent. They are Kate Buggeln, Klaus Eppler, Randy L. Pearce and John Usdan.

What are the standing committees of the Board?

Our Board has three standing committees: the Audit Committee, the Nominating Committee and the Compensation and Stock Incentive Committee (referred to as our “Compensation Committee”).

Who are the members of the standing committees?

Committee	Members	Chairperson
Audit Committee	Kate Buggeln Randy L. Pearce John Usdan	Randy L. Pearce
Nominating Committee	Klaus Eppler John Usdan	Klaus Eppler
Compensation Committee	Kate Buggeln Randy L. Pearce John Usdan	John Usdan

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Are all of the members of the standing committees independent?

Yes. The Board has determined that the members of each of the standing committees are independent.

Do all of the standing committees operate under a written charter?

Yes. The charters of each of the standing committees are posted on the “for investors” page of the Company’s website at www.ascenaretail.com, accessible through the “Investor Relations Menu.” Paper copies will be provided to any stockholder upon written request to: **Ascena Retail Group, Inc., 30 Dunnigan Drive, Suffern, New York 10901, Attention: Investor Relations.**

What are the functions of the standing committees?

Audit Committee

It is the responsibility of the Audit Committee to assist the Board in its oversight of our financial accounting and reporting practices. The duties of the Audit Committee include: monitoring our financial reporting process and system of internal controls; selecting our independent registered public accounting firm; monitoring the independence and performance of our independent registered public accounting firm and internal auditing function; and providing an avenue of communication among the independent registered public accounting firm, management, the internal auditing functions and the Board. The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to our independent registered public accounting firm as well as our internal auditors. The Audit Committee has the ability to retain, at our expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties. The Board has determined that Mr. Pearce, a member of the Audit Committee, qualifies as an “audit committee financial expert,” and that each Audit Committee member is “financially literate” and “independent,” each as defined by the SEC’s regulations and the NASDAQ’s listing standards.

Nominating Committee

The function of the Nominating Committee is to provide assistance to the Board in the selection of candidates for election and re-election to the Board. The Nominating Committee utilizes a variety of methods for identifying and evaluating director candidates. Candidates may come to the attention of the Nominating Committee through current directors, members of management, stockholders or other persons. From time to time, the Nominating Committee may also engage a search firm to assist in identifying potential Board candidates, although no such firm was used to identify any of the nominees for director proposed for election at the Annual Meeting. Once the Nominating Committee has identified a prospective nominee, the Nominating Committee evaluates the prospective nominee against the standards and qualifications set out in the Nominating Committee’s charter, including the individual’s potential contributions in providing advice and guidance to the Board and management. The Nominating Committee seeks to identify nominees who possess a wide range of experience, skills, areas of expertise, knowledge and business judgment. The Nominating Committee evaluates all candidates for director, regardless of the person or firm recommending such candidate, on the basis of the length and quality of their business experience, the applicability of such candidate’s experience to us and our business, the skills and perspectives such candidate would bring to the Board and the personality or “fit” of such candidate with existing members of the Board and management. Successful nominees must have a history of superior performance or accomplishments in their professional undertakings and should have the highest personal and professional ethics and values.

The Board determines the total number of directors and selects nominees with a view to maintaining a Board that is strong in its collective knowledge and has a diversity of not only skills and experience, but also diversity in gender, culture and geography. The Board assesses the effectiveness of its diversity policies by reviewing the nominees for director to the Board to determine if such nominees satisfy the Company's then-current needs.

Compensation Committee

The function of the Compensation Committee is to assist the Board by (i) evaluating and determining all matters relating to the compensation (including base salary, incentive compensation and equity-based awards) of our Non-Executive Chairman, President and CEO, our other executive officers (including the named executive officers) and certain other key executives and employees; (ii) administering and functioning as the committee that is authorized to grant stock options, restricted stock and/or restricted stock units ("RSUs") and other equity-based and incentive awards to executive officers and such other key executives and employees as the Compensation Committee shall determine under our stock and cash incentive plans, including the 2010 Stock Incentive Plan, as amended (the "Stock Incentive Plan") and as the committee authorized to grant awards under other incentive plans applicable to the executive officers of the Company as in effect from time to time; and (iii) reviewing and reporting to the Board on such other matters as may be appropriately delegated by the Board for the Compensation Committee's consideration.

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The Compensation Committee has sole authority to retain and obtain the advice of compensation consultants, outside legal counsel and other advisers, each referred to herein as an Adviser, to assist it with the execution of its duties and responsibilities. The Compensation Committee has the authority to set the compensation and other terms and conditions, and oversee the work, of the Advisers, to receive appropriate funding from the Company for the payment of compensation to the Advisers and to terminate the services of an Adviser. In selecting Advisers, the Committee will take into account factors it considers appropriate or as may be required by law, regulation or under the NASDAQ listing standards.

Since 2010, Radford Consulting, a separate business unit of Aon Hewitt and a separate division of Aon Corporation (“Radford”), an independent compensation consultant, has met regularly with the Compensation Committee and provides it with advice regarding the design and implementation of our executive compensation program. Management did not specifically recommend Radford. The Compensation Committee approved fiscal 2013 executive compensation consulting services provided to it by Radford described below. In particular, Radford:

- analyzed competitive compensation levels for our executive officers; conducted studies and made recommendations regarding executive compensation, including with regard to the compensation programs covering Justice, Lane Bryant, maurices, dressbarn and Catherines as well as the Company’s bonus and long-term incentive programs;
- provided market data, assisted in the development of the peer group and performed benchmarking;
- advised the Compensation Committee as to best practices; and
- assisted in the preparation of our compensation related disclosure included in this proxy statement.

The results of this analysis were used by the Compensation Committee in determining our Non-Executive Chairman’s and President and CEO’s compensation in fiscal 2013.

In providing its services to the Compensation Committee, with the Compensation Committee’s knowledge, Radford contacted the Company’s management from time to time to obtain data and other information from the Company and worked together with management in the development of proposals and alternatives for the Compensation Committee to review and consider.

The Compensation Committee intends to regularly evaluate the nature and scope of the services provided by Radford. In order to ensure that Radford is independent, Radford is only engaged by, takes direction from, and reports to, the Compensation Committee and, accordingly, only the Compensation Committee has the right to terminate or replace Radford at any time.

Management has retained the Hay Group as their executive compensation consultant. The Hay Group participated in the Compensation Committee meetings throughout fiscal 2013 to provide retail executive compensation knowledge and expertise. The Hay Group participated in discussions regarding CEO compensation, peer group selection process and executive compensation trends.

How many times did each standing committee meet in fiscal 2013?

During fiscal 2013, the Audit Committee met six times, the Compensation Committee met eight times and the Nominating Committee met once.

What is the Board’s role in the risk oversight process?

The positions of Non-Executive Chairman of the Board and CEO are presently separated and have been separated at the Company for a number of years. We believe that separating these positions allows our CEO to focus on our

day-to-day business, while allowing the Non-Executive Chairman of the Board to lead the Board in its fundamental role of providing advice to and oversight of management. Our Board recognizes the time, effort and energy that the CEO is required to devote to his position in the current business environment. Our Board believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

The Board exercises its oversight of the Company's risks through regular reports to the Board from David Jaffe, in his role as CEO, and other members of senior management on areas of material risk, actions and strategies to mitigate those risks and the effectiveness of those actions and strategies. The Board also administers its risk oversight function through its Audit and Compensation Committees.

The Audit Committee discusses with management the Company's policies with respect to risk assessment and risk management, including the Company's major financial risk exposures and the steps management has taken to monitor and control those risks. Members of senior management with responsibility for oversight of particular risks report to the Audit Committee periodically throughout the year. The Company's chief internal audit executive annually prepares a comprehensive risk assessment report which identifies the material business risks (including strategic, operational, financial reporting and compliance risks) for the Company as a

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whole, as well as for each business unit, and identifies the controls that address and mitigate those risks. The chief internal audit executive reviews that report with the Audit Committee each year. The Audit Committee reports to the full Board annually, or more frequently as required, on its review of the Company's risk management.

How does the Board evaluate director candidates recommended by stockholders?

The Nominating Committee does not evaluate stockholder nominees differently than any other nominee. Pursuant to policies set forth in our Nominating Committee Charter, our Nominating Committee will consider stockholder nominations for directors if we receive timely written notice, in proper form, of the intent to make a nomination at a meeting of stockholders. To be timely for the 2014 Annual Meeting, the notice must be received within the time frame discussed above under the heading "How do stockholders submit proposals for the Company's 2014 Annual Meeting of Stockholders?". To be in proper form, the notice must, among other things, include each nominee's written consent to serve as a director if elected, the number of shares held of record and beneficially owned by the nominee, and any other information relating to the nominee that is required to be disclosed in solicitations of proxies for the election of directors, or is otherwise required pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

How are directors compensated?

Cash Compensation

For fiscal 2013, we paid our non-employee Board members, as follows:

- An annual fee at the rate of \$75,000 per year
- Annual fees to each non-employee committee member (excluding committee chairs) are as follows:
 - Audit Committee Fee: \$15,000 per year
 - Compensation Committee Fee: \$10,000 per year
 - Annual fees to the committee chairs are as follows:
 - Audit Committee Chair Fee: \$20,000 per year
 - Compensation Committee Chair Fee: \$15,000 per year

The Board, in consultation with the Company's compensation consultant, and the Company's CEO, analyzes the Company's Board compensation in comparison to its peer group, and determines on an annual basis whether to adjust Board compensation.

Equity Compensation

For fiscal 2013, all directors (except for David Jaffe and Michael W. Rayden) received 5,000 RSUs. The RSUs vest 1/3 on each of the first, second and third anniversaries of the grant date, other than the RSUs granted to Elliot Jaffe that, consistent with the vesting schedule generally applicable to our employees, vest 25% per year on each of the first four anniversaries of the date of grant. In prior fiscal years all directors (except David Jaffe and Michael W. Rayden) received stock options as their equity compensation for their service as a Company director.

David Jaffe, our President and CEO, Elliot S. Jaffe, our Non-Executive Chairman of the Board, and Michael W. Rayden are executive officers of the Company and do not receive any cash compensation for their services as directors. Compensation paid to these individuals for their services as executive officers during fiscal 2013 is reflected in the Summary Compensation Table below. As noted above, our Non-Executive Chairman, Elliot S. Jaffe, received

5,000 RSUs in connection with his service as a director for fiscal 2013.

The total compensation for our non-employee Board members is in line with our target total compensation objective to be within or about the 62nd percentile of our peer group.

Are directors required to own a minimum amount of the Company shares of common stock?

Our Board believes it is important that our President and CEO and non-employee directors have, and are recognized both internally and externally as having, long-term financial interests that are aligned with those of our stockholders. In fiscal 2012, pursuant to the recommendation of the Compensation Committee, the Board adopted stock ownership guidelines for our President and CEO and non-employee directors (the “Ownership Guidelines”). The Ownership Guidelines with respect to our President and CEO became effective in September 2011, and with respect to our non-employee directors, became effective on December 7, 2011. See “Executive Compensation – Compensation Discussion and Analysis – Stock Ownership Guidelines for President and CEO” below for a discussion of the Ownership Guidelines with regard to our President and CEO. Under the Ownership Guidelines, non-employee

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directors are required to hold (determined annually as of the last day of the prior fiscal year) three times their annual cash retainer (currently \$75,000 per annum, for a total of \$225,000). The Ownership Guidelines authorize a transition period to achieve the 3-times ownership level of five years from the later of December 7, 2011 and the date the director commences service. Ownership includes: (i) shares of our stock acquired on the open market or purchased through the exercise of stock options or settlement of any other type of equity award (such as restricted stock, RSUs, deferred stock or a deferred stock unit); (ii) vested equity awards (other than stock options or stock appreciation awards); and (iii) vested shares of our stock allocated under any tax-qualified plan (although non-employee directors may not participate in the 401(k), if a director previously was an employee and participated in the plan, such shares would count as “owned”). Shares held individually or jointly or by a “family member” (as defined in the securities laws which would include certain trusts, family partnerships and foundations) would count as “owned” by the non-employee director. Stock options and unvested equity awards do not count towards the stock ownership requirement. The Ownership Guidelines are posted on the “for investors” page of the Company’s website at www.ascenaretail.com, accessible through the “Investor Relations Menu.”

Indemnification Agreements

In 2011, Ascena entered into indemnification agreements (collectively, the “Indemnification Agreements”) with each of the members of the Board and Armand Correia, Ascena’s the then Executive Vice President and Chief Financial Officer. Subsequently, after the commencement of their employment with the Company, Ascena entered into Indemnification Agreements with Dirk Montgomery, Executive Vice President and Chief Financial Officer (“CFO”), and John Sullivan, Executive Vice President and Chief Operating Officer (“COO”). The Indemnification Agreements supplement the Company’s Second Amended and Restated Certificate of Incorporation, as amended, and bylaws and Delaware law in providing certain indemnification rights to these individuals. The Indemnification Agreements provide, among other things, that we will indemnify these individuals to the fullest extent permitted by Delaware law and to any greater extent that Delaware law may in the future permit, including the advancement of attorneys’ fees and other expenses incurred by such individuals in connection with any threatened, pending or completed action, suit or other proceeding, whether of a civil, criminal, administrative, regulatory, legislative or investigative nature, relating to any occurrence or event before or after the date of the Indemnification Agreements, by reason of the fact that such individuals are or were our directors or officers, subject to certain exclusions and procedures set forth in the Indemnification Agreements.

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The following table provides each element of non-employee director compensation for fiscal 2013.

Name	Fees Earned or Paid in Cash (\$)	RSU Awards (\$)⁽¹⁾	All Other Compensation (\$)	Total (\$)
Kate Buggeln	100,000	109,900	—	209,900
Klaus Eppler	100,000	109,900	—	209,900
Randy L. Pearce	105,000	109,900	—	214,900
John Usdan	105,000	109,900	—	214,900

Reflects the aggregate grant date fair value of RSU awards calculated in accordance with ASC Topic 718.

⁽¹⁾ Assumptions used in the valuation of equity based awards are discussed in “Stock-Based Compensation” in Note 19 of the Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended July 27, 2013.

As of July 27, 2013, the aggregate number of vested and unvested RSUs and vested and unvested stock options held by each non-employee director was:

Name	Number of Vested RSUs	Number of Unvested RSUs	Number of Vested Options	Number of Unvested Options
Kate Buggeln	0	5,000	50,000	20,002
Klaus Eppler	0	5,000	59,998	20,002
Randy L. Pearce	0	5,000	83,330	20,002
John Usdan	0	5,000	49,998	20,002

Do you have a written Code of Ethics?

Yes, our “Code of Ethics for Senior Financial Officers” is posted on the “for investors” page of the Company’s website at www.ascenaretail.com, accessible through the “Investor Relations Menu.” This code complies with the requirements of the Sarbanes-Oxley Act of 2002 pertaining to codes of ethics for chief executives and senior financial and accounting officers. If we amend or waive a provision of our “Code of Ethics for Senior Financial Officers” that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, we will post such information at this location on our website. A copy of the code of ethics will be provided to any stockholder upon request.

Do you have a Whistleblower Policy?

Yes, as required by the Sarbanes-Oxley Act of 2002, we have established a confidential hotline for associates to call with any information regarding concerns about accounting or auditing matters. All calls are referred to the Chairman of the Audit Committee of the Board. Our “Whistleblower Policy” is posted on the “for investors” page of the Company’s website at www.ascenaretail.com, accessible through the “Investor Relations Menu.”

How can I communicate with members of the Board?

You may contact any member of the Board by writing to our Board at:

Ascena’s Board of Directors

c/o Chair of the Audit Committee

Ascena Retail Group, Inc.

30 Dunnigan Drive

Suffern, New York 10901

To the extent reasonably practical under the circumstances, all such communications are treated confidentially and you can remain anonymous when communicating your concerns.

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When does your fiscal year end?

Our fiscal years end on the last Saturday in July. References in this proxy statement to a “fiscal year” are to the calendar year in which the fiscal year ends. For example, the fiscal year ended July 27, 2013 is referred to as “fiscal 2013.”

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PROPOSAL ONE

ELECTION OF DIRECTORS

Our second amended and restated certificate of incorporation, as amended, provides for a classified Board divided into three classes, each with a staggered three-year term of office and each class of directors as nearly equal in number as possible. At the Annual Meeting, two directors are to be elected for three-year terms. On the recommendation of the Nominating Committee, the Board has nominated Elliot S. Jaffe and Michael W. Rayden, current directors whose terms of office expire at the Annual Meeting, for election for three-year terms expiring at the 2016 Annual Meeting of Stockholders. Each nominee has indicated that he will serve if elected. We do not anticipate that any Board nominee will be unable or unwilling to stand for election, but should any such nominee be unavailable for election for any reason, your proxy, to the extent permitted by applicable law, may be voted with discretionary authority in connection with the nomination by the Board and the election of any substitute nominee.

Directors will be elected by a plurality of the votes cast at the Annual Meeting. This means that the two nominees with the most votes for election for the three-year terms will be elected. We will count only votes cast for a nominee, except that a stockholder's proxy will be voted FOR the two nominees described in this Proxy Statement unless the stockholder instructs the proxy holders to the contrary in his or her proxy.

THE BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ELECTION OF THE NOMINEES LISTED BELOW TO SERVE AS DIRECTORS.

Information about Director Nominees:

Following is information regarding the nominees and the other continuing directors.