HIBBETT SPORTS INC
Form DEF 14A
April 24, 2012

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

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

Filed by the Registrant (X)
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))
(X) Definitive Proxy Statement
(   ) Definitive Additional Materials
(   ) Soliciting Material Pursuant to §240.14a-12

HIBBETT SPORTS, INC.
(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

(X) No fee required.

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

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

HIBBETT SPORTS, INC.
451 Industrial Lane
Birmingham, Alabama 35211

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Dear Stockholder:

You are invited to attend the Annual Meeting of Stockholders of Hibbett Sports, Inc. that will be held at the principal executive offices of Hibbett Sports, Inc., 451 Industrial Lane, Birmingham, Alabama 35211, on Thursday, May 24, 2012, at 11:00 A.M., local time for the following purposes:

- Election of three (3) Class I Directors for a three-year term expiring in 2015;
- Ratification of the selection by the Audit Committee of the Board of Directors of KPMG LLP as the Company's independent registered public accounting firm for Fiscal 2013;
- Approval, by non-binding advisory vote, of our executive compensation;
- Approval of the 2012 Non-Employee Director Equity Plan;
- Approval of an amendment to our Certificate of Incorporation to increase the range of the size of the Board of Directors from six to nine (6 – 9) Directors to seven to ten (7 – 10) Directors; and
- Transaction of any other business properly brought before the meeting and any adjournments of the meeting.

Information concerning these and other matters is contained in the accompanying Proxy Statement.

The Board of Directors has fixed the close of business on March 27, 2012 as the record date for the determination of stockholders who will be entitled to notice of and to vote at the meeting.

Whether or not you plan to attend the meeting, we encourage you to vote as promptly as possible by the internet or by telephone. If you request a printed copy of the proxy materials, you may complete and return by mail the proxy or voting instruction card you will receive in response to your request, or you can vote by the internet or by telephone. If you attend the meeting and wish to change your vote, you can do so by voting in person at the meeting.

By Order of the Board of Directors,

/s/ Elaine V. Rodgers
Elaine V. Rodgers
Secretary

April 24, 2012
Birmingham, Alabama

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 24, 2012

The Company's Proxy Statement and Annual Report to stockholders for the fiscal year ended January 28, 2012 are available at www.hibbett.com under "Investor Relations".

PROXY STATEMENT

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451 Industrial Lane
Birmingham, Alabama 35211

PROXY STATEMENT
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GENERAL INFORMATION ABOUT THESE MATERIALS

This Proxy Statement is being mailed together with our Annual Report on Form 10-K to stockholders for the fiscal year ended January 28, 2012, as filed with the Securities and Exchange Commission (SEC). These materials, along with our Notice of Annual Meeting, will be mailed to our stockholders of record on or about April 24, 2012. The exhibits for the Form 10-K will be furnished upon request and payment of the cost of reproduction. Such written request should be directed to Investor Relations, 451 Industrial Lane, Birmingham, Alabama 35211. Our SEC filings are also available on our website at www.hibbett.com under the heading "Investor Relations."

Introductory Note

References to "we," "our," "us" and the "Company" used throughout this document refer to Hibbett Sports, Inc. and its subsidiaries as well as its predecessors. Unless specifically indicated otherwise, any reference to "2013" or "Fiscal 2013" relates to our year ending February 2, 2013. Any reference to "2012" or "Fiscal 2012" relates to our year ended January 28, 2012. Any reference to "2011" or "Fiscal 2011" relates to our year ended January 29, 2011. Any reference to "2010" or "Fiscal 2010" relates to our year ended January 30, 2010. All fiscal years include 52 weeks, with the exception of Fiscal 2013, which will be a 53-week period.

How to Vote

Most stockholders have a choice of voting on the Internet, by telephone, or by mail using a traditional proxy card. Please refer to the proxy card or other voting instructions included with these proxy materials for information on the voting methods available to you. If you vote by telephone or on the Internet, you do not need to return your proxy card.

Reduce Printing and Mailing Costs

If you share the same last name with other stockholders living in your household, you may receive only one copy of our Proxy Statement and 2012 Annual Report. Please see the response to the question "What is "householding" and how does it affect me?" for more information on this stockholder program.

Stockholders may help us to reduce printing and mailing costs further by opting to receive future proxy materials by e-mail. Please see the response to the question "Can I access the Notice of Annual Meeting, Proxy Statement and 2012 Annual Report on the Internet?" for more information on electronic delivery of proxy materials.

FREQUENTLY ASKED QUESTIONS

When and where will the meeting take place?

The Annual Meeting will be held on Thursday, May 24, 2012, at 11:00 a.m., local time, at the corporate offices of Hibbett Sports, Inc., 451 Industrial Lane, Birmingham, Alabama. Stockholders will be admitted to the Annual Meeting beginning at 10:45 a.m., local time. Seating will be limited.

What is the purpose of this meeting and these materials?

This is the Annual Meeting of our stockholders. At the Annual Meeting, you will be asked to vote on:

- ♣ the election of directors for a three-year term expiring in 2015;
- ♣ the ratification of our Audit Committee's selection of independent registered public accounting firm for 2013;
- ♣ the approval, by a non-binding advisory vote, of our executive officers' compensation;
- ♣ the approval of the 2012 Non-Employee Director Equity Plan;
- ♣ the approval of an amendment to our Certificate of Incorporation to increase the range of the size of the Board of Directors from six to nine (6 – 9) Directors to seven to ten (7 – 10) Directors; and
- ♣ any other business that may properly come before the meeting.

Our Board of Directors strongly encourages you to exercise your right to vote on these matters. Your vote is important. Voting early through the internet, by telephone or by a proxy or voting instruction card helps ensure that we receive a quorum of shares necessary to hold the meeting. After the conclusion of the formal business of the Annual Meeting, management will give a report on our performance during the fiscal year that ended on January 28, 2012.

How do the directors of the Company recommend that I vote?

The Board of Directors unanimously recommends that you vote:

PROPOSAL 1: FOR the election of Jane F. Aggers, Terrance G. Finley and Alton E. Yother as directors of the Company for terms expiring in 2015;

PROPOSAL 2: FOR the ratification of the Audit Committee’s selection of KPMG LLP as our independent registered public accounting firm for 2013;

PROPOSAL 3: FOR the approval of our executive officers' compensation;

PROPOSAL 4: FOR the approval of the 2012 Non-Employee Director Equity Plan; and

PROPOSAL 5: FOR the approval of the amendment to our Certificate of Incorporation.

Who is entitled to vote at the Annual Meeting?

Holders of Hibbett Sports, Inc. common stock at the close of business on March 27, 2012, are entitled to receive this Notice and to vote their shares at the Annual Meeting. As of that date, there were 26,399,256 shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter properly brought before the Annual Meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

The most common ways in which stockholders hold Hibbett Sports stock are:

- ♣ directly with our transfer agent, Computershare, Inc. (stockholder of record); or
- ♣ indirectly through an account with an institutional or nominee holder of our stock such as a broker or bank who is the record holder of the stock (beneficial owner).

If you hold your shares as a stockholder of record, our transfer agent sends the proxy materials to you and your vote instructs the proxies how to vote your shares.

If you hold your shares in street name as a beneficial owner, your broker, bank or other nominee delivers the proxy materials to you. Your vote instructs your nominee how to vote your shares, and that nominee in turn instructs the proxies how to vote your shares.

How do I vote?

You may vote using any of the following methods:

A. By Mail

Be sure to complete, sign and date the proxy card or voting instruction card and return it in the prepaid envelope. If you are a stockholder of record and you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by that proxy as recommended by the Board of Directors.

If you are a stockholder of record, and the prepaid envelope is missing, please mail your completed proxy card to Hibbett Sports, Inc., c/o Computershare Investor Services, P.O. Box 43102, Providence, Rhode Island 02940-5067.

B. By Telephone or on the Internet

The telephone and Internet voting procedures established by Hibbett Sports, Inc. for stockholders of record are designed to authenticate your identity, to allow you to give your voting instructions and to confirm that those instructions have been properly recorded.

You can vote by calling the toll free telephone number on the proxy card. Please have your proxy card in hand when you call. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

The website for Internet voting is www.investorvote.com/hibb. Please have your proxy card handy when you go online. As with telephone voting, you can confirm that your instructions have been properly recorded. If you vote on the Internet, you also can request electronic delivery of future proxy materials.

Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day, and will close at 11:59 p.m. Central Daylight Savings Time on May 23, 2012. The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, we recommend that you follow the voting instructions in the materials you receive.

If you vote by telephone or on the Internet, you do not have to return your proxy card or voting instruction card.

C. In person at the Annual Meeting

All stockholders may vote in person at the Annual Meeting. You may also be represented by another person at the Annual Meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to an independent inspector of the election with your ballot to be able to vote at the Annual Meeting.

Your vote is important. You can save us the expense of a second mailing by voting promptly.

What can I do if I change my mind after I vote my shares?

If you are a stockholder of record, you can revoke your proxy before it is exercised by:

♣ written notice to the Secretary of the Company;

- ♣ timely delivery of a valid, later-dated proxy or a later-dated vote by telephone or on the Internet; or
- ♣ voting by ballot at the Annual Meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your bank, broker or other holder of record. You may also vote in person at the Annual Meeting if you obtain a legal proxy as described in the answer to the previous question.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting.

What shares are included on the proxy card?

If you are a stockholder of record, you will receive only one proxy card for all the shares you hold:

- in certificate form; and
- in book-entry form.

If you are a beneficial owner, you will receive voting instructions, and information regarding consolidation of your vote, from your bank, broker or other holder of record.

What is “householding” and how does it affect me?

We have adopted a procedure approved by the Securities and Exchange Commission (SEC) called “householding.” Under this procedure, stockholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our Notice of Annual Meeting, Proxy Statement and of our Annual Report, unless one or more of these stockholders notifies us that they wish to receive individual copies. This procedure is designed to reduce our printing costs and postage fees.

Stockholders who participate in householding will continue to receive separate proxy cards. If you participate in householding and wish to receive a separate copy of this Notice of Annual Meeting, Proxy Statement and Annual Report, or if you do not wish to participate in householding and prefer to receive separate copies of these documents in the future, you can request information about householding from your bank, broker or other holder of record.

Is there a list of stockholders entitled to vote at the Annual Meeting?

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting for any purpose relevant to the Annual Meeting, between the hours of 8:00 a.m. and 3:00 p.m., at our principal executive offices at 451 Industrial Lane, Birmingham, Alabama 35211, by contacting the Secretary of the Company.

What is the effect of abstentions and broker non-votes?

Proxies marked “abstain” or proxies required to be treated as broker “non-votes” will be viewed as present for purposes of determining whether there is a quorum at the Annual Meeting. A broker “non-vote” occurs when a broker or nominee holding shares for a beneficial owner votes on one proposal, but does not vote on another proposal because the broker or nominee does not have discretionary voting power and has not received instructions from the beneficial owner of the shares. Abstentions with respect to any matter will have the same effect as a vote against that proposal.

Pursuant to New York Stock Exchange (NYSE) rules, brokers may vote on routine matters but do not have discretionary power to vote your shares on “non-routine” matters unless the broker receives appropriate instructions from you. The ratification of the selection of the independent registered public accounting firm (Proposal 2) is the only item on the agenda for the Annual Meeting that is considered routine. The election of Directors, the vote on an advisory basis for executive compensation, the vote to approve of the 2012 Non-Employee Director Equity Plan and the vote to approve the Amendment to our Certificate of Incorporation are considered “non-routine” matters. Due to NYSE rules, brokers are not able to vote your shares with respect to “non-routine” matters if you have not provided instructions. Therefore, we strongly urge you to vote your shares.

What are the voting requirements to elect the Directors discussed in this Proxy Statement?

The presence of the holders of a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting, present in person or represented by proxy, is necessary to constitute a quorum. A majority of the votes cast is required for the election of each Director and for each of the other proposals discussed in this Proxy Statement with the exception of the amendment to our Certificate of Incorporation (Proposal 5) which must be approved by two-thirds of our outstanding shares of common stock entitled to vote. You may vote “for” or “against” or “abstain” with respect to each vote.

Could other matters be decided at the Annual Meeting?

At the date that this Proxy Statement went to press, we did not know of any matters to be raised at the Annual Meeting other than those referred to in this Proxy Statement. If other matters are properly presented at the Annual Meeting for consideration, the Board of Directors have designated (on the proxy card enclosed) Michael J. Newsome and Gary A. Smith as proxies who will have the discretion to vote on those matters for you.

Can I access the Notice of Annual Meeting, Proxy Statement and the 2012 Annual Report on the Internet?

The Notice of Annual Meeting, Proxy Statement and 2012 Annual Report, are available on our website at www.hibbett.com. Instead of receiving future copies of our Proxy Statement and Annual Report materials by mail, most stockholders can elect to receive an e-mail that will provide electronic links to them. Opting to receive your proxy materials online will save us the cost of producing and mailing documents to your home or business and also will give you an electronic link to the proxy voting site.

Stockholders of Record: If you vote on the Internet at www.investorvote.com/hibb, simply follow the prompts for enrolling in the electronic proxy delivery service. You also may enroll in the electronic proxy delivery service at any time in the future by going directly to www.econsent.com and following the enrollment instructions.

Beneficial Owners: If you hold your shares in a brokerage account, you also may have the opportunity to receive copies of these documents electronically. Please check the information provided in the proxy materials mailed to you by your bank or other holder of record regarding the availability of this service.

Who will pay for the cost of this proxy solicitation?

We will pay the cost of soliciting proxies. Directors, executive officers or employees may solicit proxies on our behalf by telephone, electronic transmission and facsimile transmission. We have hired Corporate Communications, Inc. to distribute and solicit proxies. We will reimburse Corporate Communications for reasonable expenses for these services. Total fees and reimbursements paid to Corporate Communications in Fiscal 2012 were approximately $63,000 that included approximately $18,000 for proxy distribution, together with our Annual Report, and solicitation.

Who will count the vote?

Representatives of our transfer agent, Computershare Trust Company, N.A., will tabulate the votes. Corporate Communications, Inc. will act as independent inspectors of election.

OUR BOARD OF DIRECTORS AND CORPORATE GOVERNANCE MATTERS

Our Corporate Governance Principles

Our Board of Directors has adopted Corporate Governance Guidelines and intends to follow the principles of corporate governance summarized below:

Board Composition

- Director Independence. The Board consists of a majority of independent Directors as governed by the independence requirements of the NASDAQ Stock Market (NASDAQ) corporate governance listing standards and any applicable law. The Board considers all relevant facts and circumstances in making an independence determination.

It is the responsibility of each Director and prospective Director to disclose to the Board any relationship that could impair his or her independence or any conflict of interest with the Company, including, but not limited to, family members, customers, suppliers, legal counsel, consultants of the Company, significant stockholders of the Company and any competitor or other person having an interest adverse to the Company. Each Director is required to complete an annual questionnaire providing information necessary for the Company to assist the Board in reconfirming each Director’s independence and making required disclosures in the Company’s Proxy Statement, where applicable.

- Chairman/Lead Director. The Board elects a Chairman who may be an independent Director, an employee or other non-independent Director. The duties of the Chairman are assigned by the Company's By-laws or, from time to time, the Board. In the event the Chairman is not an independent Director, the Board also designates a Lead Director who shall be an independent Director. The primary duties of the Lead Director are to preside over executive sessions of solely independent Directors, work with the Chairman to set agendas for meetings of the Board and communicate feedback between the Board and the non-independent Chairman.

After careful consideration, the Board determined that its current leadership structure is the most appropriate for Hibbett and its stockholders. By structuring the Board composition with a non-independent Director as Chairman, they believe communication between executive management and themselves is enhanced and that the function of the Board in monitoring the performance of senior management of the Company is fulfilled by the presence of outside Directors of stature who have a substantive knowledge of the business. Michael J. Newsome serves as Executive Chairman of the Board and Alton E. Yother serves as the Lead Director.

Nomination of Directors

- Role of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee (NCG Committee) is responsible for the recommendation of Director nominees for election to the Board. Nominees recommended by the NCG Committee for election may be elected by the Board to fill a vacancy or may be recommended by the Board for election by the stockholders.

Our NCG Committee does not have a written diversity policy, however, it does give consideration to potential candidates who would promote diversity on the Board.

- Qualification of Directors. In evaluating candidates for election to the Board, the NCG Committee takes into account the qualifications of the individual candidate as well as the composition of the Board as a whole. Among other things, the NCG Committee considers:

  - the candidate's ability to help the Board create stockholder wealth,
  - the candidate's ability to represent the interests of the stockholders,
  - the business judgment, experience that is relevant to the business and acumen of the candidate,
  - the need of the Board for Directors having certain skills and experience that is relevant to the business,
  - the candidate's ability to fully participate in Board activities and fulfill the responsibilities of a director, including attendance at and active participation in, meetings of the Board or its committees,
  - other business and professional commitments of the candidate, including the number of other boards (public, private and charitable) on which the candidate serves, and
  - the financial sophistication of the candidate, including the ability to qualify as "financially literate" under NASDAQ listing standards.

The NCG Committee ensures that one or more of the Directors qualify as an "audit committee financial expert" under the rules of the Securities and Exchange Commission.

In making a recommendation regarding the re-election of an existing member of the Board, the NCG Committee considers the Director's tenure and makes an assessment of the Director's past contributions and effectiveness as a Board member and his or her ability to continue to provide future value to the Board. Any Director appointed to the Board by the Board to fill a vacancy will stand for election at the time required under applicable law, generally the next election of the class for which such Director has been chosen.

- Service on Other Boards. No Director may serve on more than two boards of publicly-traded companies, other than the Company, without prior approval of the Board. A Director desiring to serve on another public company board shall notify the NCG Committee before accepting the appointment to that board and provide information requested in order to enable the NCG Committee to determine whether or not the additional directorship impairs the Director's independence or ability to effectively perform his duties as a Director. Our Company Counsel advises the NCG Committee as to whether the appointment may impair the Director's independence or raise other legal issues. Commitments of a Director or candidate to other board memberships are considered in assessing the individual's suitability for election or re-election to the Board.

- Election of Directors. The voting standard for the election of Directors is established in the Company's Certificate of Incorporation, in conformity with the By-Laws of the Company. Our current By-Laws require Directors to be elected by the affirmative vote of a majority of the shares of capital stock of the Company present, in person or by proxy, at a meeting of stockholders and entitled to vote on the subject matter.

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Stockholder Nominations. The NCG Committee is responsible for considering any submissions by stockholders of candidates for nomination to the Board, evaluating the persons proposed and making recommendations with respect thereto to the whole Board.

Size of the Board of Directors

Our Board of Directors has a maximum of nine and a minimum of six members. Within this range, the Board sets the number. Currently, our Board consists of eight Directors who are divided into three classes. The term of our Class I Directors expires at the close of the Annual Meeting this year. The term of our Class II Directors expires at the close of the Annual Meeting in 2013. The term of our Class III Directors expires at the close of the Annual Meeting in 2014.

The size of the Board and experience of Board members that is relevant to the Company’s business is assessed regularly by the NCG Committee. The Board may increase or decrease the number of Directors within the limits of Delaware law to accommodate the best interests of the Company and its stockholders.

If proposal 5 to amend our Certificate of Incorporation is approved, the size of the range of our Board of Directors will be increased to a maximum of ten and a minimum of seven members.

Director Compensation Review

The NCG Committee annually reviews the Director compensation program and recommends any changes to the Board for approval. The NCG Committee's goal is to align the Board with the long-term interests of the Company's stockholders and to compensate Directors fairly for their work while promoting ownership by the Directors of Company stock. Outside consultants may be retained to obtain advice on competitive compensation practices.

Director Tenure

The Board has not established a fixed maximum term for a Director, although the NCG Committee considers a Director's tenure in making a recommendation to the Board whether or not a Director shall be nominated for re-election to another term. Neither has the Board established a fixed age at which a Director may not be nominated for re-election.

Director Responsibilities

- General. It is the responsibility of the Directors to exercise their business judgment and act in the best interest of the Company and its stockholders. Directors must act ethically at all times and adhere to the applicable provisions of the Company's Code of Business Conduct and Ethics, a copy of which is posted on our website at www.hibbett.com.

- Understanding of the Company's Business. Directors should become and remain informed about our Company and its business, including, among other things, the principal operational and financial objectives, strategies and plans, its results of operations and financial condition, the factors that determine the Company's success and the risks inherent to the Company and its industry and the control processes with respect to such risks.

- Ownership of and Trading in Company Securities. The Directors must adhere to any guidelines established by the Board relating to required ownership of Company equity. Directors must comply with the Company's policy on trading in securities of the Company and specific guidance provided by the appropriate Company officers regarding periods when Directors should refrain from trading in the Company's securities. Annually, each Director shall sign the Company's Insider Trading Policy then in effect.

- Conflicts of Interest. In the event that any executive officer of the Company has a conflict of interest or seeks a waiver of any other provision of the Code of Business Conduct and Ethics for which a waiver may be obtained, the officer shall notify the Lead Director or a designated Company officer, who shall arrange for the NCG Committee and the Board to consider the request. The waiver is granted only if approved by both groups.

In the event a Director has an actual or potential conflict of interest with respect to a matter involving the Company, the Board shall determine what action, if any, is required, including whether the Director should recuse himself or herself from discussion or voting with respect to the matter. In the case of a conflict of interest that is of an ongoing and material nature, the Director shall be asked to tender his or her resignation.

- Governance Review. At least annually, the Board reviews the governance structure of the Company, including any provision of its Certificate of Incorporation and By-Laws affecting governance, other arrangements containing provisions that become operative in the event of a change in control of the Company, governance practices and the composition of the Company's stockholder base.

Attendance and Meeting Materials

Directors are expected to attend Board meetings and Committee meetings on which they serve in order to best fulfill their responsibilities. Meeting materials are provided to the Board prior to a scheduled meeting. Directors are responsible for reviewing these materials in advance of the meetings. All Board members are expected to attend our Annual Meeting of Stockholders unless an emergency prevents them from doing so. All of our Directors were in attendance at the 2011 Annual Meeting of Stockholders.

Director Orientation

Upon initial election, the Company provides Directors with orientation and reference materials to familiarize themselves with the Company's senior management, independent registered public accounting firm, Code of Business Conduct and Ethics, Insider Trading Policy and other compliance programs. In addition, new Directors must attend a director education program within their first three-year term. The Board also encourages other appropriate Company officers to attend director education programs or other programs as needed to stay informed of trends and changes in corporate governance.

Board Committees

- Committee Designation and Composition. It is the general policy of the Company that the Board as a whole considers and makes all major decisions other than decisions that are required to be made by independent committees. As a consequence, the committee structure of the Board is limited to those committees considered to be basic to, or required for, the operation of a publicly-traded company. Currently, these committees are the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Additional committees may be established by the Board as necessary or appropriate.

The Board as a whole determines the members and chairs of these Committees. All Committees are made up of only independent Directors. The membership of Committees is rotated from time to time. Committee members and chairpersons serve one-year terms and are appointed by the Board upon recommendation of the NCG Committee.

Each committee determines who attends each meeting and whether the committee wishes to conduct any of its proceedings in an executive session that includes only committee members, provided that each committee will conduct executive sessions, consisting only of independent Directors, not less than twice a year.

- Committee Compensation. The Board, upon recommendation of the NCG Committee, establishes the compensation of each committee member and may provide different compensation for members and chairs of various committees.

Audit Committee and Independent Registered Public Accounting Firm

- Audit Committee Independence and Qualifications. Other than Director fees, Audit Committee members may not receive any additional compensation from the Company. All members of the Audit Committee shall meet the independence requirements of NASDAQ and the SEC and the financial literacy requirements of NASDAQ, as provided in the Audit Committee Charter. At least one member of the Audit Committee at all times shall qualify as an “audit committee financial expert” as defined by the rules and regulations of the SEC.

- Stockholder Vote on Independent Registered Public Accounting Firm. The Company provides for an advisory stockholder vote to approve the selection of the Company’s independent registered public accounting firm at each Annual Meeting of Stockholders. The stockholder vote is not binding on the Company or the Board or its Audit Committee and shall not be construed as overruling a selection decision by the Company.

Board Meetings and Agendas

The Board is responsible for an annual review of strategy, financial and capital plans, enterprise risk, as well as quarterly reviews of the performance and plans of the Company’s business and matters on which the Board is legally required to act. The CEO may propose other key issues for the Board’s consideration.

Agendas and meeting minutes of the committees are shared with the full Board. The Chairman of each committee develops meeting agendas, with the support of members of management and taking into account the views of the committee members.

Management Attendance

The Board regularly requests the attendance of senior officers of the Company at Board meetings to provide insight and to update items being addressed by the Board or its committees. The Board and CEO may invite other members of management as it deems appropriate.

Evaluations and Succession Planning

- CEO Review. The Nominating and Corporate Governance Committee is responsible for conducting an annual review of the CEO's performance. The Board reviews the report of the NCG Committee in order to ensure the CEO is providing the best leadership for the Company.

- Succession Planning. The Compensation Committee makes an annual report to the Board on succession planning to ensure management continuity. The CEO recommends and evaluates potential successors and reviews any development plans recommended for such individuals.

Board Assessment

- Board Performance. Self-assessment of the performance of the Board is conducted annually and is led by the NCG Committee. These assessments focus on the Board's contributions to the Company and include a review of any areas the Board or management believes the Board could improve upon. The Board may, at its discretion, utilize the Company's Counsel to assist in the development and review of these assessments and has done so in recent years.

- Director Performance. The NCG Committee also conducts an annual review of each Director on the Board to assist in determining the proper composition of the Board and each of the committees. Among consideration is each Director's attendance at Board and committee meetings, preparation for Board meetings, participation in Board discussions, experiences relevant to the Director's service on the Board and committees, knowledge in areas relevant to the Company's business, contributions to the Board's decision-making process and other such items the NCG Committee believes useful in determining such Director's qualifications and fulfillment of responsibilities.

Board Interaction with Third Parties and Employees

- Third Party Access. The Board recognizes that management speaks on behalf of the Company. However, the Board has established procedures for third party access to the Executive Chairman and to non-management Directors as a group. The Board and committees have the right to retain outside financial, legal or other advisors and shall have appropriate access to the Company's internal and external auditors and outside counsel.

- Employee Access. Board members have full access to the Company's management and employees and will use their judgment to assure that any contacts will not disrupt the daily business operation of the Company. The CEO and the Secretary of the Company are copied, as appropriate, on any written communication between a Director and an officer or employee.

- Receipt of Complaints. The Audit Committee has established procedures for receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees, customers or vendors of the Company or any other person of concerns regarding questionable accounting or auditing matters.

Meeting of Independent Directors

The independent Directors meet regularly in executive sessions without management or non-independent Directors. An executive session is held not less than twice a year and other sessions may be called at the request of the Lead Director or any other non-management member of the Board.

Recoupment Policy

The Board will seek recoupment, in its discretion, from a senior executive of any portion of performance-based compensation as it deems appropriate, if it is determined that the senior executive engaged in fraud, willful misconduct, recklessness or gross negligence that caused or otherwise significantly contributed to the need for a material restatement of the Company's financial statements as defined in our Corporate Governance Guidelines. Performance-based compensation subject to recoupment under these guidelines includes annual cash incentive/bonus awards and all forms of equity-based compensation.

These Corporate Governance Guidelines were adopted by the Board on March 10, 2010 upon recommendation by the NCG Committee. A copy of these guidelines is posted on our website at www.hibbett.com and accessible to all investors.

Board Oversight of Enterprise Risk Oversight

Enterprise-Wide Risk Oversight

The Board utilizes our Enterprise Risk Management (ERM) process to assist in fulfilling its oversight of our risks. Management, which is responsible for day-to-day risk management, conducts an annual risk assessment of our business risks and maintains a risk committee that reports to the Audit Committee. The risk assessment process is global in nature and has been developed to identify and assess the Company's risks, including the nature of the risk, as well as to identify steps to mitigate and manage each risk. Members of our top management, including our Named Executive Officers (NEOs) and other key personnel, are surveyed and/or interviewed periodically to develop this information.

While risk oversight is a full Board responsibility, the responsibility for monitoring the ERM process has been delegated to the Audit Committee. As such, our Corporate Risk Assessor reports directly to the Chairman of the Audit Committee as it relates to ERM. The Audit Committee also oversees the delegation of specific risk areas among the various other Board committees, consistent with their corresponding charters and responsibilities. As part of the process for each risk, management is required to identify the appropriate manager responsible for monitoring and managing the risk, the potential impact, vulnerability, speed of onset of each risk and management's initiatives to manage the risk. In addition, the Board or Audit Committee is updated at least quarterly on these findings.

Each key risk is reviewed at least annually, with many topics reviewed on several occasions throughout the year. We believe that our approach to ERM optimizes our ability to assess inter-relationships among the various risks, make informed cost-benefit decisions and approach emerging risks in a proactive manner for the Company. We also believe our risk structure complements our current Board leadership structure, as it allows our independent Directors to exercise effective oversight of the actions of management in identifying risks and implementing effective risk management policies and controls.

Enterprise-Wide Incentive Compensation Risk Assessment

Our Compensation Committee is responsible for oversight of risk associated with our compensation plans. In Fiscal 2011, they requested that management conduct a risk-assessment of the Company's enterprise-wide compensation programs. As part of the ERM process, the risk assessment was conducted by management, who reviewed cash and equity incentive compensation programs and individual cash incentive awards paid for the presence of certain design elements that could incent employees to incur excessive risk and the presence of other design features that serve to mitigate excessive risk taking, such as the Company's recoupment policy, stock ownership guidelines, levels of performance metrics and similar features.

After considering the results of the risk assessment in Fiscal 2011, and considering that there was no substantial change to our compensation programs in Fiscal 2012, management concluded that the level of risk associated with the Company's enterprise-wide compensation programs is not reasonably likely to have a material adverse effect on the Company.

Committee Charters

The responsibilities of each of the committees are determined by the Board and are set forth in the committee's charters which are reviewed annually and posted on our website at www.hibbett.com.

Communicating with Our Board Members

Our stockholders may communicate directly with our Board of Directors. You may contact any member (or all members), any committee of the Board or any chairman of any such committee by mail. Any stockholder desiring to communicate to our Directors may do so by sending a letter addressed to the person, persons or committee the stockholder wishes to contact, in care of Investor Relations, Hibbett Sports, Inc., 451 Industrial Lane, Birmingham, Alabama 35211. The letter should state that the sender is a current stockholder. We intend to disclose any future changes to this stockholder communication process under the "Investor Relations" heading of our website located at www.hibbett.com.

All mail received as set forth in the preceding paragraph will be examined by management and/or our General Counsel for the purpose of determining whether the contents actually represent messages from stockholders to our Directors. Relevant communications will be promptly distributed to the Board or to any individual Director or Directors as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the Hibbett Sports, Inc. Board of Directors has requested that certain items that are unrelated to the duties and responsibilities of the Board should be excluded, such as:

- business solicitations or advertisements;
- junk mail or mass mailings;
- new product suggestions, product complaints or product inquiries;
- résumés or other forms of job inquiries; and
- spam or surveys.

We will also examine the mailing from the standpoint of security. Any material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is filtered out must be made available to any outside Director upon request.

Director Qualification Standards

Pursuant to Rule 5000(a)(19) of the NASDAQ Stock Market, Inc. Marketplace Rules, our Board of Directors determines whether each Director is independent. In accordance with the standards, the Board must determine that an independent Director has no material relationship with us other than as a Director. The standards specify the criteria by which the independence of our Directors will be determined, including strict guidelines for Directors and their immediate families with respect to past employment or affiliation with us or our independent registered public accounting firm. The standards also prohibit Audit Committee members from having any direct or indirect financial relationship with us, and restrict both commercial and not-for-profit relationships between us and each Director. We may not give personal loans or extensions of credit to our Directors, and all Directors are required to deal at arm’s length with us and our subsidiaries, and to disclose any circumstance that might be perceived as a conflict of interest.

Director Independence

We are committed to principles of good corporate governance and the independence of a majority of our Board of Directors from our management. All members of our Audit, Compensation and Nominating and Corporate Governance Committees have been determined by our Board to be independent Directors as defined under Rule 5000(a)(19) of the NASDAQ Stock Market, Inc. Marketplace Rules.

In accordance with these standards, the Board annually reviews Director independence with the help of our Company Counsel. During this review, the Board considers transactions and relationships between each Director or any member of his or her immediate family and us, our subsidiaries and affiliates. The Board also considers whether there are any transactions or relationships between Directors or any member of their immediate family (or any entity of which a Director or an immediate family member is an executive officer, general partner or significant equity holder). The purpose of this review process is to determine whether any relationships or transactions exist that are inconsistent with a determination the Director is independent.

As a result of this review, the Board has affirmatively determined that none of our Directors or nominees has a material relationship with us, other than Michael J. Newsome who is a member of management. All committees of our Board are comprised solely of independent Directors.

In making this determination, the Board considered that in the ordinary course of business, transactions may occur with a company or firm with which we do business and that one or more of our Directors may also have a relationship. Our Board has determined that such involvement is not material and does not violate any part of the definition of "independent Director" under NASDAQ listing standards. Mr. Newsome, our only non-independent Director, is not a member of any of our committees.

Policies on Business Ethics and Conduct

Our Board has adopted a Code of Business Conduct and Ethics (Code) for all our employees, executive officers and Directors, including our Executive Chairman, Chief Executive Officer and senior financial officers. A copy of this Code may be viewed at our corporate website, www.hibbett.com under the heading "Investor Relations." The contents of any amendments to the Code are also displayed on our website in lieu of filing them on Form 8-K. In addition, a printed copy of our Code will be provided to any stockholder upon request submitted to Investor Relations at our address listed elsewhere in this Proxy Statement.

The Code is intended to focus on areas of ethical and material risk and to help us recognize and deal with ethical issues, provide mechanisms to report unethical conduct and foster a culture of honesty, integrity and accountability.

All of our employees, including our Chief Executive Officer and Chief Financial and Principal Accounting Officer, are required by our policies on business conduct to ensure that our business is conducted in a consistent legal and ethical manner. These policies form the foundation of a comprehensive process that includes compliance with all corporate policies and procedures, an open relationship among colleagues that contributes to good business conduct and the high integrity level of our employees. Our policies and procedures cover all areas of professional conduct, including employment policies, conflicts of interest, intellectual property and protection of confidential information and insider trading, as well as strict adherence to all laws and regulations applicable to our business.

Employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of our policies and procedures. The Sarbanes-Oxley Act of 2002 requires audit committees to have procedures to receive, retain and treat complaints received regarding accounting, internal controls over financial reporting or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting and auditing matters. We have such procedures in place. In addition, we require employees to report to the appropriate internal contacts evidence of any actual, potential or suspected material violation of state or federal law or breach of fiduciary duty by us or any of our executive officers, Directors, employees or agents.

Board and Committee Meeting Attendance

During Fiscal 2012, the Board of Directors met 9 times. Each current Director serving on the Board during all of Fiscal 2012 was present for at least 75% of the meetings of the Board and the meetings held by all committees of the Board on which he or she served during the fiscal year, with the exception of Thomas A. Saunders III.

The Board of Directors

Current Nominees (see Proposal Number 1)

Jane F. Aggers, age 64, was appointed to our Board effective December 1, 2010 and is currently serving as a member of our Audit and Compensation Committees. She holds a Bachelors degree in Business Administration from Bowling Green State University. Ms. Aggers brings over 40 years of experience in the retail industry and served as President and CEO of Hancock Fabrics, Inc., a specialty fabric and home accessory retailer, from 2005 through January 2011. Prior to that time, she served as co-founder of MMI, a marketing and business consulting firm and served 24 years in various merchandising roles at Jo-Ann Fabric and Craft Stores, with her last position as Executive Vice President and was a buyer with The Higbee Company. Additionally, Ms. Aggers has served on the Board of Directors of Hancock Fabrics and Moto Photo, Inc., where she served on the Audit, Compensation and Special Independent Committees. She has also served on several non-profit and civic boards. Ms. Aggers' professional background, particularly as CEO of a publicly-traded company, brings specific knowledge and experience of retailing, including public board experience, merchandising, marketing and management. She qualifies as an "audit committee financial expert."

Terrance G. Finley, age 58, has been a Director since March 2008 and currently serves as a member of our Audit Committee and our Nominating and Corporate Governance Committee. He holds a Bachelors of Administration degree in Political Science and Communications from Auburn University. Mr. Finley is currently President and Chief Executive Officer of Books-A-Million, Inc., where he has worked as President and Chief Operating Officer, Executive Vice President – Chief Merchandising Officer and in various positions within the merchandising group since 1993. His current responsibilities include all the company's store operations, merchandising, marketing, publishing, import and Internet activities. Mr. Finley is a 34-year veteran of the book industry and has led several of Books-A-Million's business units, including the launching of its e-commerce effort. His strong experience in retail store operations, merchandising and marketing are complimentary to the operations of our Company, especially considering that many of our markets are the same.

Alton E. Yother, age 59, has been a Director since August 2004 and serves as the Lead Director of our Board and as a member of all committees of the Board. He holds a Bachelor of Science degree in Finance from the University of Alabama. Mr. Yother worked as Executive Vice President and Controller of Regions Financial Corporation (formerly AmSouth Bancorporation) from November 2004 to April 2007 at which time he became Senior Executive Vice President and Chief Financial Officer of Regions Financial Corporation until his retirement in April 2008. Prior to this, he worked for over 24 years for SouthTrust Corporation or SouthTrust Bank. His most recent duties at SouthTrust were as Executive Vice President, Treasurer and Controller of SouthTrust Corporation from 1998 to 2004. Mr. Yother strengthens the Board's collective knowledge and capabilities, by offering an extensive background in management and experience in financial operations and strategic planning, including risk assessment, and brings to the Board strong financial and accounting experience. He qualifies as an "audit committee financial expert."

Standing Board Members

Albert C. Johnson, age 67, has been a Director since March 2008 and currently serves as Chairman of our Audit Committee and as a member of our Compensation Committee. He holds a Masters of Science degree in Systems Management from the University of Southern California and a Bachelors of Science degree in Accounting from Florida State University. Mr. Johnson is a retired CPA and has been an independent financial consultant since 1998. He served as Senior Vice President and Chief Financial Officer of Dunn Investment Company from 1994 to 1998. Prior to that, he worked for Arthur Andersen LLP from 1965 to 1994 where he retired as the Managing Partner of the firm's Birmingham, Alabama office. His over 30 years of experience in manufacturing, distribution, retail, high technology, oil and gas, construction and small businesses offers our Company a broad view of strategic operations and financial and accounting acumen. Mr. Johnson qualifies as an "audit committee financial expert." He also serves as a Director and Chairman of the Audit Committee of Books-A-Million, Inc.

Carl Kirkland, age 70, has been a Director since January 1997 and currently serves as a member of our Compensation Committee and our Nominating and Corporate Governance Committee. Mr. Kirkland brings over 40 years of experience in the retail industry to our Board as well as public company experience that strengthens the Board's collective knowledge and capabilities in these areas. He retired as Chief Executive Officer in March 2001 from Kirkland's, Inc., a leading specialty retailer of decorative home accessories and gift items. He is a co-founder of Kirkland's, Inc. and served as President from 1996 to November 1997 and as Chief Executive Officer from 1966 to 2001. He served as Chairman of the Board at Kirkland's from 1996 to 2004 and now serves as a Director and Chairman Emeritus of Kirkland's. In addition, Mr. Kirkland currently serves on the Board of Directors of the Bank of Jackson in Jackson, Tennessee.

Michael J. Newsome, age 73, is the only non-independent Director of our Board, and was named Executive Chairman of the Board in March 2010. He has been a member of our Board since October 1996. Mr. Newsome served as our President from 1981 through August 2004 and was named Chief Executive Officer in September 1999 and Chairman of the Board in March 2004. He stepped down as our Chief Executive Officer in March 2010. Since joining us as an outside salesman over 40 years ago, Mr. Newsome has held numerous positions with the Company, including retail clerk, outside salesman to schools, store manager, district manager, regional manager and President. His lifetime of experience in sporting goods retail and specifically with Hibbett is invaluable to us as he has taken us from a small privately-held retailer to the successful public company we are today, operating approximately 830 stores in 26 states. In 2007, Mr. Newsome was inducted into the Sporting Goods Industry Hall of Fame sponsored by the National Sporting Goods Association.

Ralph T. Parks, age 66, has been a Director since June 2002 and currently serves as Chairman of our Compensation Committee and as a member of our Audit Committee. Mr. Parks has served as President of RTParks, Inc. since 2002. From February 2008 through May 2008, Mr. Parks served as Interim CEO of Heelys, Inc., a global distributor of action youth footwear and vendor of Hibbett. He worked at FOOTACTION USA from 1987 to 1999, when he retired as President and Chief Executive Officer. Additionally, Mr. Parks' current Board service includes the Board of Directors of Kirkland's, Inc., the Audit Committee and Governance Committee of Kirkland's and the Board of Directors of Heelys. Mr. Parks' professional background brings specific knowledge and experience of the sporting goods industry, including branded consumer products, public board experience and people management.

Thomas A. Saunders III, age 75, has been a Director since 1995 and currently serves as a member of our Compensation Committee and our Nominating and Corporate Governance Committee. He holds a Masters of Business Administration from the University of Virginia Graduate School of Business and sometimes serves as a guest lecturer at the school. Mr. Saunders owns and is employed by Ivor & Co., LLC, a privately owned investment firm, and has served as its President since May 2000. He is a retired member of Saunders Karp & Megrue Partners, LLC that controlled SK Equity Fund, L.P., once a major investor in Hibbett Sports, Inc. Before founding Saunders Karp & Megrue in 1990, he served as a managing director, partner and chairman of a private equity fund of Morgan Stanley & Co. from 1974 to 1989. Additionally, Mr. Saunders serves as the Lead Independent Director on the Board of Directors of Dollar Tree Stores, Inc. and is a member of their Nominating and Corporate Governance Committee. He also serves as an advisor to a number of investment funds, none of which Hibbett participates in. Mr. Saunders, through the SK Equity Fund, was instrumental in supporting the Company's bid to become a public company. His vast knowledge and understanding of the public company regulatory environment, including reputational issues, and his experience on private, public and not-for-profit boards brings strategic insight to our Board.

Director Classes

The following table provides Director Class and term expiration information for each Board Member:

	Term Expiration	Board Member
Class I Directors	After Annual Meeting of 2012	Alton E. Yother Jane F. Aggers Terrance G. Finley
Class II Directors	After Annual Meeting of 2013	Carl Kirkland Michael J. Newsome

		Thomas A. Saunders III
Class III Directors	After Annual Meeting of 2014	Ralph T. Parks Albert C. Johnson

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Committees of the Board of Directors

The Board has established an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation Committee. The memberships and functions of these committees are set forth below. The Board has no standing Executive Committee. Michael J. Newsome is the only non-independent Director on the Board and does not serve on any committee. The following table below provides Fiscal 2012 membership and meeting information for each of the Board Committees.

Committee	Chairman	Members	Number of Meetings
Audit	Albert C. Johnson	Jane F. Aggers Terrance G. Finley Ralph T. Parks Alton E. Yother	6
Compensation	Ralph T. Parks	Albert C. Johnson Carl Kirkland Thomas A. Saunders III Alton E. Yother	4
Nominating and Corporate Governance	Alton E. Yother	Terrance G. Finley Carl Kirkland Thomas A. Saunders III	2

Audit Committee

The Fiscal 2012 members of the Audit Committee were Mr. Johnson, Chairman of the Committee, Ms. Aggers and Messrs. Finley, Parks and Yother. Under the terms of its Charter, the Audit Committee meets no less than four times annually and reviews the Company's financial performance at least quarterly. Periodic meetings are also held separately with management and the independent registered public accounting firm to review accounting matters and disclosures in our SEC periodic filings. The Audit Committee represents and assists the Board with the oversight of the integrity of our financial statements and internal controls, our compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, our Enterprise Risk Management process, the performance of our internal audit function and the performance of the independent registered public accounting firm. In addition, the Audit Committee's responsibilities also include, but are not limited to:

- appointing, compensating and overseeing the work of our independent registered public accounting firm, including resolving any disagreements between management and the independent registered public accounting firm regarding financial reporting;
- pre-approving all auditing services, internal control related services and permitted non-audit services performed by the independent registered public accounting firm;
- retaining independent counsel, accountants or others to advise the Audit Committee or assist in the conduct of an investigation;
-

seeking any information it requires from employees, all of whom are directed to cooperate with the Audit Committee’s requests, or external parties and meeting with our officers, the independent registered public accounting firm, internal auditors or outside counsel, as necessary;

- ♣ reviewing and assessing our overall internal control structure, including consideration of the effectiveness of our internal control system and evaluation of management’s tone and responsiveness toward internal controls and reviewing our policies and procedures for risk assessment and risk management;
- ♣ reviewing and assessing our financial reporting, including interim, quarterly and annual SEC compliance reporting and evaluating management’s significant judgments and estimates underlying the financial statements;
- ♣ reviewing and assessing our compliance with financial covenants, legal matters, including securities trading practices, and regulatory or governmental findings which raise material issues regarding our financial statements or accounting policies;
- ♣ overseeing the audit process, including the adequacy and quality of the annual audit process and the performance and independence of the independent registered public accounting firm;
- ♣ reviewing and assessing related-party transactions and our Code of Business Conduct and Ethics, including appropriate procedures concerning non-compliance with the Code and appropriate resolution of incidents reported through our anonymous response line;
- ♣ overseeing complaint procedures and receipt of submissions, particularly those concerning questionable accounting or auditing matters; and
- ♣ evaluating the Audit Committee’s performance and reviewing the Audit Committee’s charter on an annual basis and presenting the Board with recommended changes.

A copy of the Audit Committee Charter is available on our website at www.hibbett.com under the heading "Investor Relations." In addition, a printed copy of its Charter will be provided to any stockholder upon request submitted to Investor Relations at our address listed elsewhere in this Proxy Statement.

Audit Committee Financial Experts. Our Board has reviewed the composition of the Audit Committee and determined that the independence and financial literacy of its members meet the listing standards of the NASDAQ Stock Market and regulations of the SEC. In addition, our Board has determined that Mr. Johnson, who chairs the Audit Committee, by virtue of his financial experience in public accounting and with both private and public companies, as well as Ms. Aggers and Mr. Yother, because of their career experiences serving in financial capacities of publicly-traded companies, qualify as "audit committee financial experts" within the meaning of applicable regulations of the SEC pursuant to the Sarbanes-Oxley Act of 2002.

Compensation Committee

The Fiscal 2012 members of the Compensation Committee were Mr. Parks, Chairman of the Compensation Committee, and Messrs. Johnson, Kirkland, Saunders and Yother. Ms. Aggers was appointed to the Compensation Committee in February 2012. Under the terms of its Charter, the Compensation Committee is directly responsible for developing guidelines and establishing compensation policies for our executive officers as well as producing an annual report for inclusion in our Proxy Statement. In addition, the Compensation Committee:

- ♣ develops guidelines and reviews the structure and competitiveness of our executive officer compensation programs, including assessing the appropriate motivation of executive officers to achieve our business objectives in line with our overall strategies for risk management;
- ♣ oversees an evaluation of the performance of our executive officers, excluding our Executive Chairman and CEO, and approves annual compensation, including salary, bonus, incentive and equity compensation, of all our executive officers, including our Executive Chairman and CEO;
- ♣ administers our equity award plans for employees and grants equity awards under our equity award plans;
- ♣ reviews strategy for executive officer succession;
- ♣ publishes an annual Compensation Committee Report on executive officer compensation for the stockholders; and
- ♣ evaluates the Compensation Committee's performance and reviews the Compensation Committee's charter on an annual basis and presents the Board with recommended changes.

The Compensation Committee may, at its sole discretion, employ a compensation consultant that reports directly to the Compensation Committee, and has done so, to assist in the evaluation of the compensation of our CEO and other elected executive officers.

A copy of the Compensation Committee Charter is available on our website at www.hibbett.com under the heading "Investor Relations." In addition, a printed copy of its Charter will be provided to any stockholder upon request submitted to Investor Relations at our address listed elsewhere in this Proxy Statement.

Nominating and Corporate Governance Committee

The Fiscal 2012 members of the NCG Committee were Mr. Yother, Chairman of the Committee, and Messrs. Finley, Kirkland and Saunders. The NCG Committee is authorized to exercise oversight with respect to the nomination of candidates for the Board in such a fashion as determined from time to time by the Board. The NCG has recommended the election of Ms. Aggers, Mr. Finley and Mr. Yother as Class I Directors at the 2012 Annual Meeting of Stockholders. Under the terms of its Charter, the NCG Committee meets at least one time annually.

The Nominating and Corporate Governance Committee's purpose is to advise the Board on the composition, organization, effectiveness and compensation of the Board and its committees and on other issues relating to the Company's corporate governance. The NCG Committee's duties and responsibilities primarily relate to director nominations, Board and Committee effectiveness, Board structure and Director compensation, corporate governance and stockholder communications and disclosure. Specifically, the NCG Committee is responsible for:

- ♣ recommending candidates to be nominated by the Board, including the re-nomination of any currently serving Director, to be placed on the ballot for stockholders to consider at the Annual Meeting or recommending nominees to be appointed by the Board to fill interim director vacancies;
- ♣ leading the Board in its annual performance evaluation and conducting annual performance self-evaluations of the NCG Committee and each Director of the Board as well as the Executive Chairman and the CEO;
- ♣ reviewing periodically the membership and Chair of each committee of the Board and recommending committee assignments to the Board, including rotation or reassignment of any Chair or committee member;
- ♣ recommending policies for compensation, including equity compensation, for independent Board members, in line with our overall strategies for risk management;

- ♣ monitoring significant developments in the regulation and practice of corporate governance and of the duties and responsibilities of each Director;
- ♣ evaluating and administering the Corporate Governance Guidelines of the Company and recommending changes to the Board and reviewing the Company's governance structure; and
- ♣ establishing procedures for communicating with stockholders and assisting management in the preparation of the disclosure in our Proxy Statement and other documents filed with the SEC regarding Director independence and the operations of the NCG Committee.

The Nominating and Corporate Governance Committee has written policies in place for accepting Director nominations from stockholders and identifying nominees for Director as well as minimum qualifications for Director nominees that are described in detail beginning on page 10.

A copy of the Nominating and Corporate Governance Committee Charter is available on our website at www.hibbett.com under the heading "Investor Relations." In addition, a printed copy of its Charter will be provided to any stockholder upon request submitted to Investor Relations at our address listed elsewhere in this Proxy Statement.

Compensation of Non-Employee Directors

Director Compensation Table

Annual compensation for non-employee Directors for Fiscal 2012 was comprised of cash and equity compensation. Each of these components and the total compensation amounts of our non-employee Directors for Fiscal 2012 are shown in the following table.

Director Compensation
For the Fiscal Year Ended January 28, 2012
(in dollars)

Director	Fees Earned or Paid in Cash	Stock Awards (1)	Option Awards (2)	Non-Equity Incentive Plan Compensation (3)	All Other Compensation (4)	Total
Jane F. Aggers (5)	$ --	$ 60,000	$ 10,363	$ --	$ --	$ 70,363
Terrance G. Finley	$ 60,000	$ --	$ 62,883	$ --	$ --	$ 122,883
Albert C. Johnson	$ 70,000	$ --	$ 62,883	$ --	$ --	$ 132,883
Carl Kirkland	$ 60,000	$ --	$ 62,883	$ --	$ --	$ 122,883
Ralph T. Parks	$ 70,000	$ --	$ 62,883	$ --	$ --	$ 132,883
Thomas A. Saunders III (6)	$ --	$ --	$ 135,749	$ --	$ --	$ 135,749
Alton E. Yother	$ 95,000	$ --	$ 62,883	$ --	$ 4,736	$ 162,619

Note: The Director Compensation Table requires a column for Change in Pension Value and Nonqualified Deferred Compensation Earnings of which we have none. Therefore, for presentation purposes, this column was omitted.

(1) Stock awards represent Ms. Aggers director fee income that was deferred into stock (see Note 5).

(2) Options awarded represent the annual award to Directors of 5,000 options to purchase our common stock, with the exception of Ms. Aggers, who received a pro-rata grant of 824 options to purchase our common stock. Mr. Saunders' also includes his director fee income that was deferred into options (see Note 6). Options are valued at their grant date fair value in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 – Compensation –Stock Compensation (ASC Topic 718). Total options outstanding to purchase our common stock at January 28, 2012 for our current Directors, were as follows:

Director	Options Outstanding	Expiration Dates
Ms. Aggers	10,824	12/1/2020 - 3/16/2021
Mr. Finley	24,451	3/14/2018 - 3/16/2021
Mr. Johnson	22,451	3/14/2018 - 3/16/2021
Mr. Kirkland	30,000	1/27/2016 - 3/16/2021
Mr. Parks	25,000	1/27/2016 - 3/16/2021
Mr. Saunders	79,758	1/30/2014 - 12/31/2021
Mr. Yother	52,079	8/19/2014 - 3/16/2021

Following is the weighted average fair value of each option granted during the fiscal year ended January 28, 2012. The fair value was estimated on the date of grant using the Black-Scholes pricing model with the following weighted average assumptions for each grant date:

Grant date	3/16/11	3/31/11	6/30/11	9/30/11	12/31/11
Exercise Price	$31.26	$35.81	$40.71	$33.90	$45.18
Weighted average fair value at date of grant	$12.58	$14.52	$15.95	$13.86	$17.92
Expected option life (years)	4.67	4.67	4.67	4.75	4.75
Expected volatility	45.52	45.26	44.31	47.6	46.18
Risk-free interest rate	1.72%	2.07%	1.61%	0.90%	0.78%
Dividend yield	None	None	None	None	None

See Note 3 to the consolidated financial statements in our Annual Report on Form 10-K filed March 26, 2012 for additional information regarding the Company's assumptions concerning expected option life, expected volatility, risk-free interest rate and dividend yield.

(3) No non-equity incentive plan compensation payments were made for Director services in Fiscal 2012 or are contemplated under our current compensation structure for Directors.

(4) All other compensation primarily consisted of occasional gifts to Directors such as sporting goods merchandise and was inconsequential. For Mr. Yother, other compensation consisted of interest earned on his deferred compensation in Fiscal 2012.

(5) Ms. Aggers elected to defer all fees earned into stock units subject to the provisions of the Amended 2005 Director Deferred Compensation Plan. Fees earned by Ms. Aggers were $60,000. Allocations of deferred fees are calculated each calendar quarter. The Fiscal 2012 fees converted into 1,561 stock units that will release based upon her election at deferral.

(6) Mr. Saunders elected to defer all fees earned into stock options subject to the provisions of the Amended 2005 Director Deferred Compensation Plan. Fees earned by Mr. Saunders were $60,000. Allocations of deferred fees are calculated each calendar quarter. The Fiscal 2012 fees converted into 4,733 options to purchase shares of our common stock.

Fees Earned or Paid in Cash

Fees earned or paid in cash consist of annual Board fees and annual retainers for our Lead Director and Chairmen of our Audit and Compensation Committees. The Board has adopted the following pay structure for independent Directors:

Annual Retainer	$60,000	Paid quarterly to all independent Directors
Lead Director	$35,000	Additional annual retainer, paid quarterly
Audit Committee Chair	$10,000	Additional annual retainer, paid quarterly
Compensation Committee Chair	$10,000	Additional annual retainer, paid quarterly

Effective Fiscal 2013, the pay structure was revised to raise the additional annual retainer for the Audit Committee and Compensation Committee Chairs to $15,000. The Lead Director also acts as Chairman of the Nominating and Corporate Governance Committee. Payments to our independent Directors may be paid in cash or may be deferred into stock units, stock options or cash. Each Director serves on a minimum of two committees with the Lead Director a member of each committee. Ms. Aggers, who was appointed in December 2010, served on the Audit Committee only in Fiscal 2012, but was also appointed to the Compensation Committee effective Fiscal 2013.

The total fees earned or paid in cash during Fiscal 2012 are outlined in the following table:

Director	Annual Retainer	Lead Director Retainer	Committee Chairman Retainer	Total Fees Earned	Total Paid in Cash
Ms. Aggers (1)	$ 60,000	$ --	$ --	$ 60,000	$ --
Mr. Finley (2)	$ 60,000	$ --	$ --	$ 60,000	$ 60,000
Mr. Johnson (2)	$ 60,000	$ --	$ 10,000	$ 70,000	$ 70,000
Mr. Kirkland (2)	$ 60,000	$ --	$ --	$ 60,000	$ 60,000
Mr. Parks (2)	$ 60,000	$ --	$ 10,000	$ 70,000	$ 70,000
Mr. Saunders (3)	$ 60,000	$ --	$ --	$ 60,000	$ --
Mr. Yother (2)	$ 60,000	$ 35,000	$ --	$ 95,000	$ 95,000

(1) All fees deferred into stock units pursuant to the Amended 2005 Director Deferred Compensation Plan.

(2) All fees paid in cash.

(3) All fees deferred into stock options pursuant to the Amended 2005 Director Deferred Compensation Plan.

Equity Plans for Directors

There were two plans that governed equity awards to non-employee Directors during Fiscal 2012.

The Amended and Restated 2006 Non-Employee Director Equity Plan (NEDEP) provides for grants of equity awards to non-employee Directors. Each non-employee Director who is elected or appointed to the Board may receive, upon election, up to 15,000 options to purchase shares of our common stock. Non-employee Directors, who have served a full fiscal year, may receive up to 10,000 options to purchase shares of our common stock, pro-rated for Directors who served less than one full fiscal year. The Board of Directors has the discretion to, and has elected to, reduce the actual grants below the stockholder approved maximum amounts. Board members currently receive 10,000 options to purchase shares of our common stock upon election to the Board and 5,000 options to purchase shares of our common stock for each full fiscal year of service, pro-rated for Directors who serve less than one full fiscal year.

The NEDEP also allows for the award of other equity instruments such as stock appreciation rights, restricted stock and restricted stock units. As of the date of this Proxy Statement, only stock options have been awarded to non-employee Directors under the NEDEP.

Proposal 4 is asking our stockholders to approve the 2012 Non-Employee Director Equity Plan (2012 Plan), which, if approved, would grant the Board more flexibility by:

- ♣ allowing the Board to grant the annual equity award based on overall value, whereas the NEDEP only allows an annual award to Directors in the form of stock options;
- ♣ allowing a Director to elect the form of their equity awards; and
- ♣ allowing a Director the ability to defer the income from their equity awards.

The proposed 2012 Plan would authorize the issuance of 500,000 shares of common stock subject to its terms and would replace the NEDEP which currently has 475,165 shares available for future grants. The shares available for future grants under the NEDEP would lapse and be replaced by the 500,000 shares authorized in the 2012 Plan. (See Proposal 4.)

The Amended 2005 Director Deferred Compensation Plan (Deferred Plan) allows each non-employee Director the option to defer all or a portion of the Board fees into cash, stock units or stock options annually on a calendar year basis. Any eligible Director may make a deferral by delivering an election to us not later than December 31 of the year immediately preceding the year to which the election is related. Newly elected or appointed eligible Directors have 30 days following the date on which they first became a Director to make such election.

Two of the seven eligible Directors deferred all of their fees in Fiscal 2012 and again for Fiscal 2013. Ms. Aggers and Mr. Saunders have elected to defer their fees into stock options for Fiscal 2013. Deferrals to stock options are governed by the NEDEP.

Stock Awards. Under the Deferred Plan, Ms. Aggers elected to defer all Board and committee fees earned during Fiscal 2012 into stock units (governed by the NEDEP). The total fees earned each calendar quarter are divided by the closing price on the last day of the calendar quarter to determine the number of stock units earned for that period. Ms. Aggers deferred total fees of $60,000 in Fiscal 2012. The Fiscal 2012 fees converted into 1,561 stock units.

Option Awards. The annual option grant to non-employee Directors occurs on the same date as the annual grant of equity awards to management and our other employees. The Compensation Committee has adopted the third business day following the release of operational results for the fiscal year as the grant date for annual management and employee awards. Therefore, stock awards under the NEDEP relating to service during the current fiscal year are awarded the following fiscal year to eligible directors serving as a director on the last day of our fiscal year. Six of our seven eligible Directors served the full fiscal year and were awarded 5,000 options to purchase our common stock pursuant to the provisions of the NEDEP on March 17, 2011. Ms. Aggers was awarded 824 options to purchase our common stock based on her pro-rata days of service in Fiscal 2011.

Under the Deferred Plan, Mr. Saunders elected to defer all Board and committee fees earned during Fiscal 2012 into stock options (governed by the NEDEP). The total fees earned each calendar quarter is divided by the closing price on the last day of the calendar quarter times a factor of 0.33 to determine the number of stock options earned for that period. Mr. Saunders deferred total fees of $60,000 in Fiscal 2012. The Fiscal 2012 fees converted into 4,733 options to purchase shares of our common stock.

Options awarded to outside Directors vest immediately upon grant and expire on the tenth anniversary of the date of grant. We apply the fair value recognition provisions of ASC Topic 718. The fair value of each stock option is estimated on the grant date using the Black-Scholes option-pricing model. (See Note 3 to the consolidated financial statements in our Annual Report on Form 10-K filed on March 26, 2012.)

All Other Compensation

We have determined that there was no other compensation paid to Directors for director services in Fiscal 2012 except the occasional gift usually in the form of sporting goods merchandise such as footwear or apparel and the interest earned on Mr. Yother's deferred compensation. The occasional gifts have an immaterial market value. Each Director is entitled to reimbursement for his/her reasonable out-of-pocket expenses incurred in connection with travel to and from, and attendance at, meetings of the Board or its committees and related activities, including director education courses and materials. The interest earned by Mr. Yother on his deferred compensation of $4,736 is not included in the Fees Earned or Paid in Cash Table.

Director Compensation Changes for Fiscal 2013

On November 16, 2011, the Board approved an increase of the annual retainers to the Chairpersons of both the Audit Committee and Compensation Committee from $10,000 to $15,000. The increase is effective for Fiscal 2013.

On March 8, 2012, the Board approved the 2012 Plan, pending the approval of our stockholders. The 2012 Plan would affect Director compensation by changing the form of the annual equity award from a specified number of stock options to a specified value of equity. The specified value of the annual equity award would be determined by the Board of Directors at a meeting following approval by our stockholders, not to exceed $150,000. The form of the equity award would be elected by each individual Director, in advance of the award, and the number of shares awarded determined by the stock price on the date of grant. The 2012 Plan, if approved, would be effective for the Fiscal 2014 annual grant to Directors. (See Proposal 4.)

No other changes to Director compensation, either in fee structure or in equity awards has been recommended or approved for Fiscal 2013.

Stock Ownership Guidelines for Non-Employee Directors

The Compensation Committee has adopted stock ownership guidelines in an effort to better align personal and corporate incentives of Directors with our stockholders. Within four years of a Director's election or appointment, non-employee Directors are required to maintain ownership of Company equity in an amount equal to three times (3x) their standard Director fees. Company equity may be in the form of common stock or common stock equivalents such as options, restricted stock, restricted stock units, etc. Determination of compliance with the guidelines is based on the closing price of our common stock on the last business day of the fiscal year for shares of stock owned and all restricted stock units and on the grant date fair value under ASC Topic 718 for vested stock options. As of the fiscal year ended January 28, 2012, all of our non-employee Directors were in compliance with the stock ownership guidelines.

COMPENSATION COMMITTEE REPORT

The Compensation Discussion and Analysis (CD&A) is intended to provide our stockholders with information about our compensation philosophy and to understand our rationale and decision-making process concerning our compensation practices with respect to our NEOs. The CD&A should be read in conjunction with the Summary Compensation Table, related tables and narrative disclosures contained within.

The Compensation Committee has reviewed the CD&A included in this report and discussed it with management. In reliance on such reviews and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis following this report be included in this Proxy Statement and, through incorporation by reference from this Proxy Statement, the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 2012.

Submitted by the members of the Compensation Committee of the Company's Board of Directors:

Ralph T. Parks, Chairman; Albert C. Johnson; Cark Kirkland; Thomas A. Saunders III; Alton E. Yother

The Compensation Committee report does not constitute soliciting material, and shall not be deemed to be filed or incorporated by reference into any other Company filing under the securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates the Compensation Committee Report by reference therein.

Compensation Risk Assessment

As part of our overall enterprise risk assessment, we conducted an assessment of our compensation plans and measures to evaluate whether the plans may cause the Board, executives, managers and/or all employees to act in an undesired manner inconsistent with Company objectives, strategies and ethical standards and with prudent business practices. We further evaluated whether the Company may fail to identify Key Performance Indicators (KPI) and/or accurately report existing KPIs.

We presented and discussed the findings of the risk assessment with the Audit Committee. Based upon the assessment and discussions with the Audit Committee, we believe that our compensation policies and practices do not encourage excessive or unnecessary risk-taking and are not reasonably likely to have a material adverse effect on Hibbett.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee is a current or former officer of the Company or any of our subsidiaries. In addition, none of the members of the Compensation Committee has or had any relationship with the Company during Fiscal 2012 that requires disclosure in accordance with the applicable rules of the Securities and Exchange Commission relating to compensation committee interlocks and insider participation.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS (CD&A)

Executive Summary

The NEOs for Fiscal 2012 are the Chief Executive Officer (CEO) and President, the Chief Financial Officer (CFO) and Senior Vice President, the Executive Chairman of the Board, the Senior Vice President of Operations and the Senior Vice President of Merchandising. Our "low-cost operator" corporate culture is reflected in the Compensation Committee's philosophy for its executives, especially with respect to compensation that is assured and not contingent on performance.

The primary objectives of our executive compensation program are to:

§ Attract and retain highly qualified executive officers and motivate them to deliver a consistently high level of performance.
§ Align the economic interests of our executive officers with those of our stockholders by placing a substantial portion of their compensation at risk through performance goals that, if achieved, are expected to increase total stockholder return.
§ Reward performance that emphasizes teamwork among executive officers that supports healthy Company growth and supports the Company's values by promoting a culture of integrity, business ethics and customer service.

We delivered strong financial results in Fiscal 2012, as evidenced by the following highlights:

§ Net sales increased 10.2% to $732.6 million
§ Net income increased 27.3$ to $59.1 million
§ Diluted earnings per share increased 34.4% to $2.15 per diluted share
§ Stock price increased 52.9% from $32.02 to $48.95

(See Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K filed on March 26, 2012 for a detailed description of our financial results for Fiscal 2012.)

These financial results benefited our stockholders and are also reflected in the compensation earned by our NEOs in Fiscal 2012. The performance and pay results are strong indicators that our business strategy and compensation philosophies are appropriately synchronized.

The Compensation Committee structures the total compensation program for executives to consist of:

§ base salary,
§ performance-based cash bonuses,
§ performance-based equity awards, and
§ certain other benefits, including a nonqualified deferred compensation plan and supplemental 401(k) plan discussed in more detail later in this document.

Our compensation program has been consistently applied by the Compensation Committee for several years. The Compensation Committee believes that a majority of the total compensation opportunity for executives should be allocated to cash bonuses and equity awards that are contingent on the achievement of pre-determined performance measures in order to align compensation with the interests of stockholders. Performance measures for management are based on Company-wide targets, with a greater emphasis for more senior personnel.

At the 2011 Annual Meeting of Stockholders, our stockholders overwhelmingly approved our Fiscal 2011 executive compensation program, receiving 95.1% of votes cast in favor. The Compensation Committee concluded that the stockholders support our compensation policies and programs, which the Compensation Committee believes continue to provide a competitive pay-for-performance package that effectively incentivizes our NEOs and reinforces the Compensation Committee's views that our executive compensation program is achieving its objectives without giving rise to excessive risk.

Total Compensation Program Objectives and Philosophy

Individual compensation levels are based upon the duties and responsibilities assumed by each executive officer, individual performance and the attainment of individual goals. The Compensation Committee has decided to base all of the performance-based compensation, including equity awards, on the achievement of Company goals, with the exception of newly-hired executives whose initial bonuses and equity are typically based on service. The Compensation Committee's philosophy is that a higher percentage of pay dependent on our performance adds stockholder value by aligning executive compensation with revenue and net income growth.

Long-term compensation for NEOs consists of equity awards such as stock options and restricted stock units (RSUs). In determining equity awards, the Compensation Committee endeavors to reinforce the "pay-for-performance" philosophy while encouraging share ownership and retention. The Compensation Committee has currently opted to award only RSUs in the annual employee award, which includes our NEOs. The RSU awards to our NEOs contain performance and service criteria set by the Compensation Committee that must be achieved in order to be earned. (See "Future Planning" on page 48). The awarding of performance-based RSUs (PSUs) is designed to align stockholder and management interests through incentives that encourage the highest level of corporate governance and focus on rewarding our executives for increased Company value and financial results over the long-term, without encouraging excessive or unnecessary risk-taking. The form and composition of equity awards, as well as other elements of compensation, may be adjusted in the future as our compensation philosophy evolves.

Role of Our Compensation Committee

The Compensation Committee approves all compensation and equity awards to our NEOs, including the CEO. The Compensation Committee reviews the compensation of the CEO and, following discussions with him where it deems appropriate, establishes his compensation. The Compensation Committee also oversees the performance evaluation of all our NEOs, with the exception of the Executive Chairman and the CEO, whose performance evaluations fall under the duties and responsibilities of the Nominating and Corporate Governance (NCG) Committee. Our Compensation Committee considers the performance appraisals conducted by the NCG Committee as part of its consideration for executive compensation for such individuals. Our Compensation Committee also administers the Company's 2005 Equity Incentive Plan, as amended and restated (EIP) and approves all equity grants to executive officers.

The Compensation Committee recognizes the importance of maintaining sound principles for the development and administration of compensation and benefit programs and has taken steps to significantly enhance the Compensation Committee's ability to effectively carry out its responsibilities as well as ensure that we maintain strong links between executive pay and Company performance. The Compensation Committee actively and consistently:

- ♣ holds executive sessions without the presence of management;
- ♣ reviews and implements a compensation structure for our NEOs;
- ♣ considers succession plans and strategies for our key executive positions; and
- ♣ monitors stock ownership of our NEOs.

The Compensation Committee's Charter reflects these and other responsibilities, and the Compensation Committee and the Board periodically review and revise the Compensation Committee Charter. The NCG Committee recommends the Compensation Committee's membership.

Role of Executive Officers in Compensation Decisions

Michael J. Newsome, our Executive Chairman, annually reviews the performance of our CEO with the NCG Committee, while Jeffry Rosenthal, our CEO and President, annually reviews the performance of the other NEOs, excluding the Executive Chairman, with the Compensation Committee. Recommendations are made accordingly, with respect to each key element of executive compensation for NEOs, excluding the Executive Chairman. The Compensation Committee generally approves the recommendations with minor adjustments. As prescribed in the Company's Statement of Employee Equity Grant Practices, the Compensation Committee conducts these reviews within 90 calendar days of the Company's fiscal year end. The only other role NEOs have in the determination of executive compensation is in the recommendation of the annual Company budget from which performance levels are based for incentive bonuses and performance-based equity awards. The annual Company budget is presented by management to the entire Board for review and approval.

Peer Group

The Compensation Committee has identified a group of 14 companies as its peer group, based on such factors as their sales volume, geographical regions of operations and industry concentration. Following is a list of the companies which were most often used by the Compensation Committee in Fiscal 2012 when considering executive compensation and for executive compensation analysis:

Big 5 Sporting Goods Corp.	Finish Line, Inc.	Shoe Carnival, Inc.
Books-A-Million, Inc.	Footlocker, Inc.	Sport Chalet, Inc.
Brown Shoe Co., Inc.	Genesco, Inc.	Stage Stores, Inc.
Dicks Sporting Goods, Inc.	Hastings Entertainment, Inc.	Urban Outfitters, Inc.
DSW, Inc.	Kirkland's, Inc.	

Compensation Program Principles

Our Compensation Committee uses the following principles to implement our compensation philosophy and achieve our executive compensation program objectives:

§ Pay for performance. A substantial portion of the total compensation of our executive officers is composed of annual and long-term incentive payments that are earned upon achievement of financial results that contribute to total stockholder return.

- § Reward long-term growth and sustained profitability. Our equity awards are based on a combination of short-term and long-term financial goals. These awards require sustained financial performance to deliver significant value and encourage our executive officers to deliver continued growth over an extended period of time.
- § Modest benefits and limited perquisites. We provide standard employee benefits and very limited perquisites or other forms of compensation to our NEOs. Any perquisites received are generally available to other levels of management and employees. We believe our compensation program provides adequate financial opportunities to our executive officers to the extent that extra benefits and perquisites are not required to attract and retain such executives.

Compensation Benchmarking; Role of Compensation Consultants

The Compensation Committee's goal is to set our NEOs' base salaries at a level that is competitive, but lower than the average base salary of the comparable position within our peer group. Bonuses and equity awards are performance-based and offer our NEOs the opportunity to increase their overall compensation by achieving strong financial results that benefit the Company and add value to our stockholders.

The Compensation Committee has not utilized the services of an external compensation consultant since Fiscal 2008. The Compensation Committee believes that the in-depth studies performed by the consulting firm Hewitt Associates at that time provided useful guidance that they could use to shape executive compensation packages for many years. The Compensation Committee retains the right to retain such services in the future at its discretion.

Elements of our Compensation Program

Compensation Element	Objective	Form and Type of Compensation
Base Salary	To provide a minimum, fixed level of cash compensation for executive officers	Annual cash compensation; Not at risk
Bonus and Non-Equity Incentives	To encourage and reward executive officers for achieving annual corporate performance goals	Annual performance compensation; At risk
Equity Awards	To motivate and retain executive officers and align their interest with stockholders through:	
	Performance-based RSUs based on short-term financial goals and long-term service	Short-term performance compensation; At risk
	Performance-based RSUs based on long-term financial goals	Long-term performance compensation; At risk
Employee Benefits	To promote health, well-being and financial security of employees, including executive officers	Annual indirect compensation, Not at risk

Annual Cash Compensation

Base Salary

We provide our executives with assured cash compensation in the form of base salary. We use base salary as the foundation for the other components of compensation. The salary levels for our executive officers for the fiscal year ended January 28, 2012, including the salary of Mr. Rosenthal as CEO and President and Mr. Newsome as Executive Chairman, are based upon individual performance and responsibility, as well as the salary levels paid by other similarly situated sporting goods and specialty retail companies from our peer group. Based upon a review of such companies, the base salary levels approved by the Board of Directors are generally lower than the average salary levels of such companies because the Compensation Committee's philosophy is that performance-based pay adds more value to the stockholder.

Base salary is competitive but generally conservative when compared to other retail, general industry and manufacturing organizations. Substantial additional earnings opportunities are provided primarily through achievement of Company performance goals that also apply to equity-based awards. We have set a moderate base pay and combined it with a significant performance component that provides our executives with an incentive-based compensation scheme consistent with our emphasis on being a "low-cost operator."

Bonus and Non-Equity Incentive Plan Compensation

Our cash bonus program is subject to the Bonus Plan adopted by our stockholders and is structured to be qualified performance-based compensation while protecting the Company's deductibility of executive compensation under Internal Revenue Code Section 162(m). With the adoption of the Bonus Plan, the Compensation Committee has guidelines by which to offer incentives to executive officers through the use of qualified performance-based compensation. The Bonus Plan allows flexible compensation alternatives within our overall compensation philosophy.

The program is designed to provide short-term incentive compensation to our executives based upon pre-established performance goals for the Company and each executive, individually. The Compensation Committee determines the amounts of target bonus awards for each executive as a percent of their base salary. The cash bonuses approved by the Compensation Committee as earned by our NEOs as a percent to base salary over the last three fiscal years were as follows:

	Range of Payout
Fiscal 2012	75.0% - 125.0%
Fiscal 2011	75.0% - 139.5%
Fiscal 2010	37.5% - 110.0%

The high range of the cash bonus for Fiscal 2011 and the low range of the cash bonus for Fiscal 2010 represent bonuses paid to our Senior Vice President of Merchandising and were not contingent on the achievement of any performance criteria.

Bonus targets emphasize individual contribution to our success during the year and the performance of those aspects of our business for which each executive has responsibility. See the Summary Compensation Table and narrative discussion below for individual executive officer detail.

The following table illustrates the executives' combined bonus potential for Company and individual goals as a percent of individual base salaries for Fiscal 2012, Fiscal 2011 and Fiscal 2010:

NEO	Position	Fiscal 2012	Fiscal 2011	Fiscal 2010
Jeffry O. Rosenthal (1)	Chief Executive Officer and President	80.0%	70.0%	90.0%
Gary Smith	Senior Vice President and Chief Financial Officer	60.0%	60.0%	80.0%
Michael J. Newsome (2)	Executive Chairman	100.0%	100.0%	100.0%
Cathy E. Pryor	Senior Vice President of Operations	60.0%	60.0%	80.0%
Rebecca A. Jones (3)	Senior Vice President of Merchandising	60.0%	124.5%	37.5%

(1) Mr. Rosenthal was promoted to Chief Executive Officer and President in May 2010. He was formerly President and Chief Operating Officer and Vice President of Merchandising. See the Summary Compensation Table and narrative discussion below for individual executive officer detail.

(2) Mr. Newsome was named Executive Chairman in May 2010. He was formerly Chief Executive Officer and Chairman of the Board. See the Summary Compensation Table and narrative discussion below for individual executive officer detail.

(3) Ms. Jones was hired as Vice President of Merchandising in August 2009. See the Summary Compensation Table and narrative discussion below for individual executive officer detail. A portion of her Fiscal 2011 bonus and all of her Fiscal 2010 bonus was not based on Company or individual goals, but was awarded at the discretion of the Compensation Committee.

Company performance goals were based on earnings before interest and taxes (EBIT) determined by the annual budget as approved by the Board of Directors for Fiscal 2012, Fiscal 2011 and Fiscal 2010. The following table compares the Company and individual bonus potential for each of our NEOs as a percentage of total bonus potential for Fiscal 2012, Fiscal 2011 and Fiscal 2010:

	Fiscal 2012		Fiscal 2011		Fiscal 2010	
NEO	Company Bonus	Individual Bonus	Company Bonus	Individual Bonus	Company Bonus	Individual Bonus
Mr. Rosenthal	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Mr. Smith	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Mr. Newsome	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Ms. Pryor	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Ms. Jones	100.0%	0.0%	53.8%	46.2%	0.0%	100.0%

Beginning in Fiscal 2010, the Compensation Committee made each NEO's bonus contingent solely upon Company performance with the exception of Ms. Jones, whose bonuses were a combination of a guaranteed cash bonus and Company bonus for Fiscal 2011 and a guaranteed cash bonus for Fiscal 2010. This annual cash bonus represents the Compensation Committee's "pay for performance" philosophy. If the EBIT target that is established is exceeded, then the NEO earns more up to 125% of the target bonus; if we fall short of our EBIT target, then the NEO earns less or nothing at all. This tiered structure is applied to all our NEOs and also to the employee cash bonus portion that is contingent on the EBIT goal.

For Fiscal 2012, Fiscal 2011 and Fiscal 2010, the executive's (and employees) earned percentages of his or her Company performance bonus depended on the Company's actual performance in relation to the Company's performance goal as summarized in the following table:

% of Company Performance Goal Attained	Portion of Executive's Company Performance Bonus Deemed Earned
Below 85.0 %	0.0%
85.0%	62.5%
90.0%	75.0%
95.0%	87.5%
100.0%	100.0%
105.0%	112.5%
110.0% or above	125.0%

For Fiscal 2012, Fiscal 2011 and Fiscal 2010, the Company performance goal was based on EBIT. The following table sets forth the EBIT goal for each year and the level achieved and paid out to our NEOs (and employees in our bonus pool) based on that achievement:

	EBIT Goal	EBIT Achieved	% of Goal Achieved	% of Payout
Fiscal 2012	$77.5 million	$93.6 million	120.8%	125.0%
Fiscal 2011	$54.0 million	$73.5 million	136.2%	125.0%
Fiscal 2010	$50.3 million	$52.4 million	104.0%	110.0%

The Compensation Committee strives to set goals that motivate our executive officers to improve performance over previous years, without encouraging excessive risk taking. Calculation of the Company performance bonus earned by each NEO is based on the final audited consolidated financial statements and, if applicable, is usually paid out in March of the following year. While the Compensation Committee reserves the right to make adjustments to goals after they are established, it has not done so during the last three fiscal years. Any such modification would be carefully considered by the Compensation Committee and applied to the special circumstances that warranted the modification. There were no individual performance goals set for our NEOs for Fiscal 2012, Fiscal 2011 or Fiscal 2010 with the exception of Ms. Jones as discussed above.

Equity Awards

Equity Award Practices

The Compensation Committee determines the amounts of target equity awards for each executive as a percent of their base salary. Through our EIP, the Compensation Committee has a wide range of award-based incentive alternatives to offer our NEOs. Equity award types including stock options, stock appreciation rights, PSUs and RSUs may be granted at the discretion of the Compensation Committee. Awards of equity-based compensation to our executive officers complement our cash incentives and encourage an ownership stake in our Company to align the interest of our NEOs and our stockholders.

With the exception of new hire grants to executive officers, the Compensation Committee has opted to grant PSUs to our NEOs as part of their annual compensation package, up to the limits allowed in the EIP at the time of grant. PSUs are believed to strengthen the longer-term pay-for-performance alignment of the Company's compensation program and provide retention motivation through time-vesting of half of the awards after achievement of the stated performance goal. The Compensation Committee has also previously granted stock options to our NEOs when limited by the EIP on the number of PSUs.

The Compensation Committee's equity award policy is designed to facilitate the establishment of appropriate processes, procedures and controls in connection with the administration of our equity-based incentive plans. The Compensation Committee's policy sets the annual grant date for management and employee equity awards as the third business day following the release of operational results for the fiscal year just ended.

Stock Awards and Option Awards

As part of the annual equity award, our practice is to determine the dollar amount of equity compensation that we want to provide to our executive officers as a percentage of base salary and then to grant equity awards based on a formula that yields such amount based on 80% of the 30-day trailing average (trailing average) price of our stock. Awards granted to our NEOs reflect our desire to provide incentives to these individuals that encourage our growth and long-term success as a Company. The trailing average price of our stock used for Fiscal 2012, Fiscal 2011 and Fiscal 2010 was $26.23, $17.74 and $13.93, respectively.

This methodology was applicable to all our NEOs with the exception of Mr. Newsome who also received stock options in Fiscal 2010 due to former restrictions within the EIP that limited the number of RSUs that could be awarded to a participant within any one calendar year and Ms. Jones who received a service-based award of RSUs based on 37.5% of her annualized base salary in Fiscal 2010. In Fiscal 2010, Mr. Newsome's equity awards were based on 110.0% of his base salary of which 56.0% consisted of performance-based restricted stock units and the remaining consisted of stock options based on a trailing average of $13.93. Ms. Jones's award was granted under the provisions of the EIP, was dated November 2, 2009 and was based on the closing market price of our common stock on the grant date.

The following table reflects the equity awards granted to our NEOs and the percentage of base salary that the equity award was based on for Fiscal 2012, Fiscal 2011 and Fiscal 2010:

	Fiscal 2012			Fiscal 2011			Fiscal 2010		
NEO	Target # of PSUs	Stock Options	% of Base Salary	Target # of PSUs	Stock Options	% of Base Salary	Target # of PSUs	Stock Options	% of Base Salary
Mr. Rosenthal	12,800	None	80.0%	15,800	None	70.0%	26,200	None	90.0%
Mr. Smith	8,000								