

lululemon athletica inc.
Form DEF 14A
April 30, 2014
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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 Filed by a Party other than the Registrant
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
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lululemon athletica inc.

(Name of Registrant as Specified In Its Charter)

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NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS

To Be Held June 11, 2014

TO OUR STOCKHOLDERS:

Notice is hereby given that the 2014 Annual Meeting of the stockholders, or the Annual Meeting, of lululemon athletica inc., a Delaware corporation, will be held on June 11, 2014, at 12:00 PM, local time, in the Conway Room at the Shangri-La Hotel, located at 1128 West Georgia Street, Vancouver, British Columbia, for the following purposes:

1. To elect three Class I directors to hold office for a three-year term and until their respective successors are elected and qualified.
2. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending February 1, 2015.
3. To adopt a non-binding resolution to approve the compensation of our executive officers.
4. To approve the adoption of the lululemon athletica inc. 2014 Equity Incentive Plan.
5. To transact such other business as may properly come before the meeting.

Our board of directors recommends that you vote "FOR":

• Election to our board of directors of the three nominees named in this proxy statement;

• Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending February 1, 2015;

• Approval of a non-binding resolution to approve the compensation of our executive officers; and

• Approval of the lululemon athletica inc. 2014 Equity Incentive Plan.

At the 2011 Annual Meeting of stockholders, our stockholders had the opportunity, on a non-binding advisory basis, to inform us on how often stockholders wish to include a "say-on-pay" proposal in our proxy statement. The voting results showed significant support by stockholders for a "say-on-pay" vote every three years. Accordingly, our board of directors determined that the next stockholder advisory vote on executive compensation will be held at our 2014 Annual Meeting of stockholders.

Stockholders of record at the close of business on April 23, 2014 are entitled to notice of, and to vote at, this meeting and any adjournment or postponement thereof. In accordance with our bylaws, a list of those stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder, for any purpose relating to the meeting, at the office of the Corporate Secretary, lululemon athletica inc., 1818 Cornwall Avenue, Vancouver, British Columbia, beginning May 2, 2014. The list will also be available at the Annual Meeting.

We are pleased to continue using the Securities and Exchange Commission's "Notice and Access" delivery model allowing companies to furnish proxy materials to their stockholders over the Internet. We believe that this delivery process will expedite stockholders' receipt of proxy materials and lower the costs and reduce the environmental impact of our Annual Meeting. On or about May 2, 2014, we intend to mail to our stockholders of record as of April 23, 2014 a Notice of Internet Availability of Proxy Materials, or the Notice, containing instructions on how to access our proxy statement and Annual Report to Stockholders for the fiscal year ended February 2, 2014. This Notice also provides instructions on how to vote online and includes instructions on how to receive a paper copy of the proxy materials by mail.

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All stockholders are invited to attend the Annual Meeting. If you are a stockholder of record as of April 23, 2014, you will be admitted to the meeting if you present a form of photo identification. If you own stock beneficially through a bank, broker or otherwise, you will be admitted to the meeting if you present a form of photo identification and proof of ownership or a valid proxy signed by the record holder. A recent brokerage statement or a letter from a bank or broker are examples of proof of ownership for this purpose. Whether or not you plan to attend the Annual Meeting, please vote your shares via the Internet, as described in the accompanying materials, to assure that your shares are represented at the meeting, or, if you elect to receive a paper copy of the proxy card by mail, you may mark, sign and date the proxy card and return it in the enclosed postage-paid envelope. If you attend the meeting you will, of course, have the right to revoke the proxy and vote your shares in person.

By order of the Board of Directors,

/s/ Laurent Potdevin
Laurent Potdevin
Chief Executive Officer

Vancouver, British Columbia
April 25, 2014

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LULULEMON ATHLETICA INC.

PROXY STATEMENT

2014 ANNUAL MEETING OF STOCKHOLDERS

WEDNESDAY, JUNE 11, 2014

GENERAL INFORMATION

This proxy statement is being provided to solicit proxies on behalf of the board of directors of lululemon athletica inc. for use at the 2014 Annual Meeting of stockholders to be held on Wednesday, June 11, 2014, at 12:00 PM, local time, in the Conway Room at the Shangri-La Hotel, located at 1128 West Georgia Street, Vancouver, British Columbia, and at any adjournment or postponement thereof. We expect to first make this proxy statement available, together with our Annual Report for the fiscal year ended February 2, 2014, to stockholders on approximately May 2, 2014.

Our principal offices are located at 1818 Cornwall Avenue, Vancouver, British Columbia V6J 1C7.

In this proxy statement, we refer to lululemon athletica inc. as lululemon, we, us or the company.

Internet Availability of Annual Meeting Materials

Under rules adopted by the Securities and Exchange Commission, or SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials, or the Notice, to our stockholders of record. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or to request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. You will not receive a printed copy of the proxy materials unless you request one in the manner set forth in the Notice. This permits us to conserve natural resources and reduces our printing costs, while giving stockholders a convenient and efficient way to access our proxy materials and vote their shares.

We intend to mail the Notice on or about May 2, 2014 to all stockholders of record entitled to vote at the Annual Meeting.

Who May Vote

Only holders of record of our common stock and holders of record of our special voting stock, at the close of business on April 23, 2014, or the Record Date, will be entitled to notice of, and to vote at, the Annual Meeting. On the Record Date, 115,503,575 shares of common stock and 29,937,820 shares of special voting stock were issued and outstanding. Each share of common stock is entitled to one vote at the Annual Meeting and each share of special voting stock is entitled to one vote at the Annual Meeting. Holders of common stock and special voting stock will vote together as a single class on all matters that come before the Annual Meeting; accordingly, throughout this proxy statement we refer generally to our outstanding common stock and special voting stock together as our "Common Stock."

What Constitutes a Quorum

Stockholders may not take action at the Annual Meeting unless there is a quorum present at the meeting. The presence, in person or by proxy, of a majority of the outstanding shares of Common Stock entitled to vote as of the close of business on the Record Date constitutes a quorum. Abstentions and broker non-votes will count toward establishing a quorum. Broker non-votes occur when brokers holding shares in street name for beneficial owners do not receive instructions from the beneficial owners about how to vote the shares. An abstention occurs when a stockholder withholds such stockholder's vote by checking the "abstain" box on the proxy card, or similarly elects to abstain via the Internet voting. Under the rules that govern brokers who are voting with respect to shares held in street name, brokers have the discretion to vote such shares on routine matters, including the ratification of appointment of independent registered accounting firm.

Vote Required

Proposal No. 1: Under applicable law and our current bylaws, the three director candidates who receive the greatest number of votes cast for the election of directors by shares present in person or represented by proxy and entitled to vote shall be elected directors. You are not entitled to cumulative voting rights in the election of directors.

Proposal No. 2: The ratification of the appointment of our independent registered public accounting firm requires the affirmative vote of a majority of the votes cast at the Annual Meeting.

Proposal No. 3: The advisory approval of the compensation of our named executive officers requires the affirmative vote of the majority of the votes cast at the Annual Meeting.

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Proposal No. 4: The approval of the lululemon athletica inc. 2014 Equity Incentive Plan requires the affirmative vote of a majority of the votes cast at the Annual Meeting.

Voting Process

Shares that are properly voted or for which proxy cards are properly executed and returned will be voted at the Annual Meeting in accordance with the directions given or, in the absence of directions, will be voted “FOR”:

• Election to our board of directors of the three nominees named in this proxy statement;

• Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending February 1, 2015;

• Approval of the non-binding resolution to approve the compensation of our executive officers; and

• Approval of the lululemon athletica inc. 2014 Equity Incentive Plan.

It is not expected that any other matters will be brought before the Annual Meeting. If, however, other matters are properly presented, the persons named as proxies will vote in accordance with their discretion with respect to such matters.

The manner in which your shares may be voted depends on how your shares are held. If you are the record holder of your shares, meaning you appear as the holder of your shares on the records of our stock transfer agent, you may vote those shares via the Internet, or, if you request a printed copy of the proxy materials, via a proxy card for voting those shares included with the printed proxy materials. If you own shares in street name, meaning you are a beneficial owner with your shares held through a bank or brokerage firm, you may instead receive a voting instruction form with this proxy statement that you may use to instruct your bank or brokerage firm how to vote your shares.

Voting on the Internet

You can vote your shares via the Internet by following the instructions in the Notice. The Internet voting procedures are designed to authenticate your identity and to allow you to vote your shares and confirm your voting instructions have been properly recorded. If you vote via the Internet, you do not need to complete and mail a proxy card. We encourage you to vote your shares via the Internet even if you plan to attend the Annual Meeting.

Voting by Mail

You can vote your shares by mail by requesting a printed copy of the proxy materials sent to your address. When you receive the proxy materials, you may fill out the proxy card enclosed therein and return it per the instructions on the card. By signing and returning the proxy card according to the instructions provided, you are enabling the individuals named on the proxy card, known as “proxies,” to vote your shares at the Annual Meeting in the manner you indicate. If you request a printed copy of the proxy materials, we encourage you to sign and return the proxy card even if you plan to attend the Annual Meeting.

Voting by Telephone

You may be able to vote by telephone. If so, instructions are included with your Notice. If you vote by telephone, you do not need to complete and mail your proxy card.

Attendance and Voting at the Annual Meeting

If you are the record holder of your shares, you may attend the Annual Meeting and vote in person. You will be required to present a form of photo identification for admission to the Annual Meeting. If you own your stock in street name, you may attend the Annual Meeting in person provided that you present a form of photo identification and confirmation of ownership, such as a recent brokerage statement or a letter from a bank or broker, but in order to vote your shares at the Annual Meeting you must obtain a “legal proxy” from the bank or brokerage firm that holds your shares. You should contact your bank or brokerage account representative to obtain a legal proxy.

Revocation

If you are the record holder of your shares, you may revoke a previously granted proxy at any time before the Annual Meeting by delivering to the Secretary of lululemon athletica inc. a written notice of revocation or a duly executed proxy bearing a later date or by attending the Annual Meeting and voting in person. Any stockholder owning shares in street name may change or revoke previously given voting instructions by contacting the bank or brokerage firm holding the shares or by obtaining a legal proxy from

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such bank or brokerage firm and voting in person at the Annual Meeting. Your personal attendance at the Annual Meeting does not revoke your proxy. Your last vote, prior to or at the Annual Meeting, is the vote that will be counted.

Householding

The SEC permits companies to send a single Notice, and for those stockholders that elect to receive a paper copy of proxy materials in the mail one copy of this proxy statement, together with our Annual Report for the fiscal year ended February 2, 2014, or fiscal 2013, to any household at which two or more stockholders reside, unless contrary instructions have been received, but only if we provide advance notice and follow certain procedures. In such cases, each stockholder continues to receive a separate Notice, and for those stockholders that elect to receive a paper copy of proxy materials in the mail, one copy of our fiscal 2013 Annual Report and this proxy statement. This householding process reduces the volume of duplicate information and reduces printing and mailing expenses. We have not instituted householding for stockholders of record; however, certain brokerage firms may have instituted householding for beneficial owners of our Common Stock held through brokerage firms. If your family has multiple accounts holding our Common Stock, you may have already received householding notification from your broker. Please contact your broker directly if you have any questions or require additional copies of the Notice, our fiscal 2013 Annual Report and this proxy statement. The broker will arrange for delivery of a separate copy of the Notice, and, if so requested, a separate copy of these proxy materials promptly upon your written or oral request. You may decide at any time to revoke your decision to household, and thereby receive multiple copies.

Solicitation of Proxies

We pay the cost of soliciting proxies for the Annual Meeting. We solicit by mail, telephone, personal contact and electronic means and arrangements are made with brokerage houses and other custodians, nominees and fiduciaries to send Notices, and if requested, other proxy materials, to beneficial owners. Upon request, we will reimburse them for their reasonable expenses. In addition, our directors, officers and employees may solicit proxies, either personally or by telephone, facsimile or written or electronic mail. Our transfer agent, Computershare Trust Company, N.A., will assist in the solicitation of proxies. The transfer agent does not charge a separate fee for this service. We will reimburse the transfer agent for any expenses related to proxy solicitation. Stockholders are requested to return their proxies without delay.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

We have a classified board of directors currently consisting of three Class I directors, three Class II directors, and four Class III directors, who will serve until the Annual Meetings of stockholders to be held in 2014, 2015 and 2016, respectively, and until their respective successors are duly elected and qualified or until their earlier resignation or removal. At each Annual Meeting of stockholders, directors are elected for a term of three years to succeed those directors whose terms expire at the Annual Meeting dates.

The term of the Class I directors will expire on the date of the upcoming Annual Meeting. Accordingly, three people are to be elected to serve as Class I directors of our board of directors at the Annual Meeting. Based on all information available to the Nominating and Governance Committee of our board of directors and relevant considerations, including the guidelines, criteria and procedures for identifying and evaluating candidates for election to the board of directors set forth in our “Guidelines for Evaluating Director Candidates,” the Nominating and Governance Committee selected Michael Casey, RoAnn Costin and Laurent Potdevin, the current Class I members of our board of directors, as the candidates who, in the view of the Nominating and Governance Committee, are most suited for membership on our board of directors at this time. Accordingly, the Nominating and Governance Committee recommended Mr. Casey, Ms. Costin and Mr. Potdevin as nominees for election to the three Class I positions. Our board considered the recommendation of the Nominating and Governance Committee, as well as all information available to it and other relevant considerations, and has nominated for election by the stockholders to the Class I positions Mr. Casey, Ms. Costin, and Mr. Potdevin. If elected, Mr. Casey, Ms. Costin, and Mr. Potdevin will serve as Class I directors until our Annual Meeting of stockholders in 2017 and until their successors are duly elected and qualified or until their earlier resignation or removal.

Our board of directors has no reason to believe that any of the nominees listed above will be unable to serve as a director. If, however, any nominee becomes unavailable, the proxies will have discretionary authority to vote for a substitute nominee. There are no family relationships among any of the directors or executive officers.

Unless authority to do so is withheld, the persons named as proxies will vote “FOR” the election of the nominees listed above.

The following table sets forth the name and age of each director and director nominee, the positions and offices held by each director and the period during which the director has served as a director of lululemon.

Name	Age	Occupation	Director Since
Class I Directors whose terms expire at the 2014 Annual Meeting			
Michael Casey	68	Senior Advisor to Starbucks Corporation	2007
RoAnn Costin	61	President of Wilderness Point Investments	2007
Laurent Potdevin	47	Chief Executive Officer	2014
Class II Directors whose terms expire at the 2015 Annual Meeting			
Martha A.M. Morfitt	56	Principal of River Rock Partners Inc.	2008
Rhoda M. Pitcher	59	Managing Partner of Rhoda M. Pitcher, Inc.	2005
Emily White	35	Chief Operating Officer of Snapchat, Inc.	2011
Class III Directors whose terms expire at the 2016 Annual Meeting			
Robert Bensoussan	55	Director, Sirius Equity LLP	2013
William H. Glenn	57	President and Chief Executive Officer of Global Business Travel of American Express Company	2012
Thomas G. Stemberg	65	Managing Partner of Highland Consumer Fund	2005
Dennis J. Wilson	58	Founder of lululemon	1998
Director Nominees			

Background information on each of Michael Casey, RoAnn Costin, and Laurent Potdevin, the three Class I nominees, appears under “Corporate Governance — Our Board of Directors”.

Vote Required and Board Recommendation

If a quorum is present and voting, the three nominees for Class I directors receiving the highest number of votes will be elected as Class I directors. Abstentions and broker non-votes have no effect on the vote.

Our board of directors unanimously recommends a vote “FOR” the election of the three Class I director nominees, named above. Unless authority to do so is withheld, the persons named as proxies will vote FOR the election of these three

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Class I director nominees to hold office as directors until the 2017 Annual Meeting of stockholders, and until their successors are elected and qualified or until their earlier resignation or removal.

CORPORATE GOVERNANCE

Our Board of Directors

The following is brief description of each nominee who is currently a member of the board of directors and each director of lululemon whose term of office will continue after the Annual Meeting:

Class I Director Nominees for Election at the 2014 Annual Meeting of Stockholders

Michael Casey has been a member of our board of directors since October 2007 and is expected to begin serving as Chairman of the Board prior to the 2014 Annual Meeting. He retired from Starbucks Corporation in October 2007, where he had served as Senior Vice President and CFO from August 1995 to September 1997, and Executive Vice President, CFO and Chief Administrative Officer from September 1997 to October 2007. Subsequent to retirement he served as a Senior Advisor to Starbucks Corporation from October 2007 to May 2008 and from November 2008 to present. Prior to joining Starbucks, Mr. Casey was Executive Vice President and CFO for Family Restaurant, Inc. and President and CEO of El Torito Restaurants, Inc. He was also a member of the board of directors of The NASDAQ OMX Group, Inc from January 2001 to May 2012. Mr. Casey graduated from Harvard College with an A.B. degree in Economics and Harvard Business School with an MBA degree. Our board of directors selected Mr. Casey to serve as director because he has extensive experience in corporate finance and accounting, managing retail-focused industry operations, strategic planning and public company corporate governance. The Board believes his service on executive, audit and compensation committees of other companies allows him to provide significant insight to our board of directors.

RoAnn Costin has been a member of our board of directors since March 2007. Ms. Costin has served as the President of Wilderness Point Investments, a financial investment firm, since 2005. In 2011, she co-founded Paola Quadretti Worldwide, a women's made-to-measure clothing company and is chairperson of its board of directors. From 1992 until 2005, Ms. Costin served as the President of Reservoir Capital Management, Inc., an investment advisory firm. Ms. Costin also sits on the board of OLLY Shoes, a retailer of children's shoes and accessories, City Sports, Inc., a regional specialty sporting goods retailer of footwear, equipment and apparel, and Alvin Valley Holdings, Inc., a retailer of designer women's clothing, all of which are non-public companies. Ms. Costin received a B.A. in Government from Harvard University and an M.B.A. from the Stanford University Graduate School of Business. Our board of directors selected Ms. Costin to serve as director because she has extensive experience in corporate finance and strategic planning. Our board of directors believes her extensive management experience with respect to both public and private companies allows her to provide our board of directors with significant insight on the retail industry.

Laurent Potdevin was appointed as our Chief Executive Officer and a member of our board of directors in December 2013, and has served in those roles since January 2014. Mr. Potdevin previously worked at Toms Shoes, a socially-conscious shoe company, where he served as President since May 2011. From 1995 to 2010, he worked at Burton Snowboards, one of the world's largest and premier snowboarding companies, serving in various capacities including as President and CEO from 2005 to 2010. Prior to joining Burton Snowboards, Mr. Potdevin worked at Louis Vuitton and LVMH. Mr. Potdevin received degrees from Ecole Supérieure des Sciences Economiques et Commerciales, in France, and the Engineering School, Ecole Polytechnique Fédérale de Lausanne, in Switzerland. Our board of directors selected Mr. Potdevin because of his extensive experience at premium, technical athletic apparel and lifestyle-centric retail companies, and deep understanding of the importance of top-quality technical design, retail marketing strategies, and the power of building a strong brand.

Class II Directors Continuing in Office until the 2015 Annual Meeting of Stockholders

Martha A.M. (Marti) Morfitt has been a member of our board of directors since December 2008. She has served as a principal of River Rock Partners, Inc., a business and cultural transformation consulting firm, since 2008. Ms. Morfitt served as the CEO of Airborne, Inc. from October 2009 to March 2012. She served as the President and CEO of CNS, Inc., a manufacturer and marketer of consumer healthcare products, from 2001 through March 2007. From 1998 to

2001, she was Chief Operating Officer of CNS, Inc. Ms. Morfitt currently serves on the boards of directors of Graco, Inc., a publicly-traded fluid handling systems and components company, and Life Time Fitness, Inc., a publicly-traded operator of fitness and athletic centers. She received her HBA from the Richard Ivey School of Business at the University of Western Ontario, and an MBA from the Schulich School of Business at York University. Our board of directors selected Ms. Morfitt to serve as director because she has extensive public board experience, and years of leading and managing branded consumer business operations and strategic planning.

Rhoda M. Pitcher has been a member of our board of directors since December 2005. Since 1996 she has served as Managing Partner of Rhoda M Pitcher Inc., a management consulting firm providing services in organizational strategy and the building of executive capability to Fortune 500 corporations, institutions, start-ups and non-profits. From 1978 to 1997, Ms. Pitcher co-founded, built and sold two international consulting firms. Ms. Pitcher holds a Master's degree in Organization Development from University Associates. Our board of directors selected Ms. Pitcher to serve as director because she has extensive experience in management

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consulting, culture development and strategic planning. Our board of directors believes her considerable knowledge of our business gained from more than eight years as a director of lululemon makes her well suited to provide advice with respect to our strategic plans, culture and marketing programs.

Emily White has been a member of our board of directors since November 2011. Emily is the Chief Operating Officer of Snapchat, Inc., a photo messaging application. She was previously the Director of Business Operations, Instagram at Facebook Inc., a social networking company, responsible for monetization, partnerships, user operations and all business-related functions. From September 2010 to March 2012 she was Senior Director of Local and then Mobile Partnerships at Facebook Inc. Prior to joining Facebook, she was at Google, Inc. running the North American Online Sales and Operations channel from 2001 to November 2007 and the Asia Pacific & Latin America business from November 2007 to October 2009. From October 2009 through September 2010, Ms. White ran the Local and Commerce monetization businesses of Google, Inc. She currently serves on the board of directors of the National Center for Women in IT, a non-profit coalition working to increase the participation of girls and women in computing and IT. She received a BS in Art History from Vanderbilt University. Our board of directors selected Ms. White to serve as a director because of her extensive experience with social networking and technology companies, her understanding of the demographics in which our principal customers reside and the diversity in background and experience she provides to our board of directors.

Class III Directors Continuing in Office until the 2016 Annual Meeting of Stockholders

Robert Bensoussan has been a member of our board of directors since January 2013. Since 2008, Mr. Bensoussan has been a Director and the majority owner of Sirius Equity LLP, a UK company that invests in retail and brands based in the UK and Europe. From 2008 to 2012, Mr. Bensoussan served as Executive Chairman and CEO of LK Bennett, a UK fashion retailer, and has acted as non-Executive Chairman since 2012. He has also acted as the Non-Executive Chairman of Jeckerson Spa (Italy) since May 2008 and of feelunique.com (UK) since December 2012. From 2001 to 2007, Mr. Bensoussan was CEO of Jimmy Choo Ltd, a privately held UK luxury shoe wholesaler and retailer and was also a member of the Board of Jimmy Choo Ltd from 2001 to 2011. Mr. Bensoussan serves on the boards of directors of Inter Parfums Inc., a publicly-traded manufacturer of fragrances and fragrance-related products, Celio International (Belgium), a retailer of men's clothing, Zen Cars (Belgium), an electric car rental company, Aurenis (France) a part-works publisher, L.K.Bennett (London), a retailer of women's clothing and shoes, and Jeckerson S.p.A. (Italy), a retailer of men's sportswear. Our board of directors selected Mr. Bensoussan to serve as director because he has extensive executive management and director experience in the apparel, accessories and fragrances industry. The board believes his experience as chief executive officer and director of international branded luxury goods operations will provide unique insight and vision to our board of directors.

William H. Glenn has been a member of our board of directors since December 2012. Mr. Glenn is President and Chief Executive Officer of Global Business Travel for American Express Company (NYSE: AXP). Mr. Glenn joined American Express in 2002 where he served as President of the Merchant Services division with responsibility for worldwide operations, pricing, marketing and strategy for the merchant network that serves both a proprietary business and network issuing partners. In this role he also led the American Express Company's efforts to expand card acceptance in new categories such as business-to-business transactions and quick service restaurants. In 2011 he was appointed to President of Global Corporate Payments and Global Commercial Services and in 2014 he was appointed to his current role overseeing Global Business Travel. Before he joined American Express, Mr. Glenn served as President of Pepsi-Cola North America's Food Service Division overseeing sales, marketing, operations, customer service and finance for the unit. Mr. Glenn began his career at Procter & Gamble and holds a BA and MBA from Lehigh University. He is a member of the Board of Trustees of the Boys and Girls Clubs of America and the U.S. Travel Association CEO Roundtable. He also serves on the Executive Committee of the World Travel and Tourism Council. Our board of directors selected Mr. Glenn to serve as director because he has extensive experience in managing retail-focused industry operations, including sales, marketing, operations, customer service, finance and strategic planning. The board believes his experience in worldwide operations, pricing, marketing and strategy allows him to provide significant insight to our board of directors.

Thomas G. Stenberg has been a member of our board of directors since December 2005. Since March 2007, he has been the managing partner of Highland Consumer Fund, a venture capital firm. From February 2005 until March 2007, he was a venture partner with Highland Capital Partners. Mr. Stenberg co-founded Staples, Inc., an office supplies retailer, serving as the chairman of its board of directors from 1988 to 2005, and as its CEO from 1986 until 2002. He serves on the boards of directors of CarMax, Inc., a publicly-traded retailer of used cars, PETSMART, Inc., a publicly-traded retailer of pet supplies and products, Guitar Center, Inc., a retailer of musical instruments, and City Sports, Inc., a regional specialty sporting goods retailer of footwear, equipment and apparel. He received an AB in Physical Science from Harvard University, and an MBA from the Harvard Business school. Our board of directors selected Mr. Stenberg to serve as director because of his extensive experience in managing and directing retail industry operations, public company corporate governance and executive compensation. Our board of directors believes his extensive experience in a variety of leadership roles of retail companies allows him to provide significant insight and expertise to our board of directors.

Dennis J. Wilson founded our company in 1998 and has served as the Chairman of the Board since 1998. He has informed the board of directors that he will step down from his role as Chairman of the Board prior to the 2014 Annual Meeting but will retain a

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seat on our board of directors. He served as our Chief Innovation and Branding Officer from March 2010 to January 2012, and from December 2005 until March 2010, he served as our Chief Product Designer. Mr. Wilson was our Chief Executive Officer from 1998 until December 2005. In 1980, Mr. Wilson founded Westbeach Snowboard Ltd., a surf, skate and snowboard vertical retailer, and served as its CEO from 1980 until 1995, and as its Head of Design and Production from 1995 to 1997. Mr. Wilson received his BA in Economics from the University of Calgary. Our board of directors selected Mr. Wilson to serve as director because, as the original founder of the company, he is in a unique position to support continuity in both our product vision and our cultural values. He also has extensive experience in leading and managing retail industry operations and strategic planning.

Independence of the Board

Pursuant to the listing standards of The NASDAQ Stock Market, or NASDAQ, a majority of the members of our board of directors must qualify as “independent” within the meaning of NASDAQ Rule 5605, as affirmatively determined by our board of directors. Our board of directors consults with our outside legal counsel to ensure that its determinations are consistent with relevant securities and other laws and regulations regarding the definition of “independent,” including those set forth in the NASDAQ listing standards in effect at the time of the determination. Consistent with these considerations, after review of all relevant transactions or relationships between each director and director nominee, or any of his or her family members, and lululemon, our senior management and our independent auditors, our board of directors has affirmatively determined that the following eight directors and director nominees are independent directors within the meaning of the applicable NASDAQ listing standards: Robert Bensoussan, Michael Casey, RoAnn Costin, William H. Glenn, Martha A.M. Morfitt, Rhoda M. Pitcher, Thomas G. Stemberg, and Emily White. In making this determination, our board of directors found that none of these directors and director nominees had a material or other disqualifying relationship with the company. Dennis J. Wilson, the Chairman of the Board, and Laurent Potdevin, our Chief Executive Officer, are not independent directors by virtue of their current or former employment with lululemon.

Executive Sessions

Non-management directors meet in an executive session without management present each time our board of directors holds its regularly scheduled meetings. Michael Casey has been designated by our board of directors to act as the Lead Director for such executive sessions of non-management directors.

Committees and Meeting Attendance

Our board of directors has three standing committees, including an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. Each of these committees operates under a written charter adopted by our board of directors. Copies of these charters are available on our website at www.lululemon.com. Our board of directors held nine meetings of the full board of directors during fiscal 2013. Each of the standing committees of our board of directors held the number of meetings indicated below. During fiscal 2013, each of our directors attended at least 75% of the total number of meetings of our board of directors and all of the committees of our board of directors on which such director served during that period. Directors are encouraged to attend our Annual Meetings of stockholders. All of our directors attended the 2013 Annual Meeting of stockholders.

The following table sets forth the three standing committees of our board of directors, the members of each committee during fiscal 2013 and the number of meetings held by each committee:

Name of Director	Audit	Compensation	Nominating and Governance
Robert Bensoussan			Member
Michael Casey	Member		Chair
RoAnn Costin		Member	
William H. Glenn	Member		
Martha A.M. Morfitt	Chair		
Rhoda M. Pitcher		Member	Member
Thomas G. Stemberg		Chair	Member

Jerry Stritzke⁽¹⁾

Emily White

Member

Number of meetings in fiscal 2013

5

7

5

⁽¹⁾ Mr. Stritzke resigned as a director in September 2013.

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Audit Committee

The Audit Committee is appointed by our board of directors to assist it in fulfilling its financial oversight responsibilities by overseeing the accounting and financial reporting processes of lululemon and audits of our financial statements. The Audit Committee's primary duties and responsibilities include:

- Appointing and retaining our independent registered public accounting firm, approving all audit, review, and other services to be provided by our independent registered public accounting firm and determining the compensation to be paid for such services;
- Overseeing the integrity of our financial reporting process and systems of internal controls regarding accounting and finance;
- Overseeing the qualifications, independence, and performance of our independent registered public accounting firm;
- Overseeing lululemon's risk assessment and risk management policies, procedures and practices;
- Reviewing and, if appropriate, approving any related party transactions;
- Reviewing lululemon's Code of Business Conduct and Ethics applicable to all directors, officers, and employees, and monitoring and approving any modifications or waivers of such code;
- Providing a means for processing complaints and anonymous submissions by employees of concerns regarding accounting or auditing matters; and

• Monitoring compliance with legal and regulatory requirements.

The current members of the Audit Committee are Michael Casey, William H. Glenn, Martha A.M. Morfitt (Chairperson), and Emily White. Our board of directors has determined that each of the members of the Audit Committee is "independent" for purposes of the NASDAQ listing requirements as they apply to audit committee members and that Mr. Casey, Mr. Glenn and Ms. Morfitt qualify as "audit committee financial experts" under the rules of the SEC. The Audit Committee held five meetings during fiscal 2013.

Compensation Committee

The Compensation Committee has been delegated authority by our board of directors to oversee all significant aspects of lululemon's compensation policies and programs, including:

- Reviewing and approving the compensation and annual performance objectives and goals of all of our executive officers;
- Reviewing, approving, and administering incentive-based and equity-based compensation plans in which our executive officers participate;
- Evaluating risks created by our compensation policies and practices and considering any reasonably likely effect of such risks;
- Reviewing and recommending to our board of directors new executive compensation programs; and
- Reviewing and recommending to our board of directors proposed changes in director compensation.

The current members of the Compensation Committee are RoAnn Costin, Rhoda M. Pitcher, and Thomas G. Stemberg (Chairperson). Our board of directors has determined that each of the members of the Compensation Committee is "independent" for purposes of the Nasdaq listing standards. The Compensation Committee held seven meetings during fiscal 2013.

Nominating and Governance Committee

The Nominating and Governance Committee is responsible for matters relating to the corporate governance of our company as well as identifying individuals qualified to become members of our board of directors or any of its committees, recommending nominees for election as directors at each stockholder meeting at which directors are to be elected, and recommending candidates to fill any vacancies on our board of directors or any of its committees. The current members of the Nominating and Governance Committee are Michael Casey (Chairperson), Rhoda M. Pitcher, Thomas G. Stemberg, and Robert Bensoussan. Our board of directors has determined that each of the members of the Nominating and Governance Committee is "independent" for purposes of the NASDAQ listing standards. The Nominating and Governance Committee held five meetings during fiscal 2013.

Director Nominations

The Nominating and Governance Committee considers recommendations for nominees from directors, officers, employees, stockholders, and others based upon each candidate's qualifications, including whether a candidate possesses any of the specific qualities and skills desirable in members of our board of directors. Nominees for our board of directors must be committed to

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enhancing long-term stockholder value and possess a high level of personal and professional ethics, sound business judgment, appropriate experience and achievements, personal character and integrity. Members of our board of directors are expected to understand our business and the industry in which we operate, regularly attend meetings of our board of directors and committee meetings, participate in meetings and decision making processes in an objective and constructive manner and be available to advise our officers and management. Evaluations of candidates generally involve a review of background materials, internal discussions, and interviews with selected candidates, as appropriate. Upon selection of a qualified candidate, the Nominating and Governance Committee recommends the candidate to our board of directors. The Nominating and Governance Committee may engage consultants or third-party search firms to assist in identifying and evaluating potential nominees.

The Nominating and Governance Committee does not have a formal policy regarding the consideration of diversity in identifying nominees for directors. Once the Nominating and Governance Committee has confirmed that an individual meets the general qualifications for a director, and has further determined that such individual is appropriately qualified to serve on our board of directors, the Nominating and Governance Committee then considers the extent to which the membership of the candidate on our board of directors would promote a diversity of perspectives, backgrounds and experiences among the directors, including expertise and experience in a diversity of substantive matters pertaining to our business. However, our board of directors does not believe the subjective and varying nature of this nomination process lend itself to a formal policy or fixed rules with respect to the diversity of our board of directors.

The Nominating and Governance Committee will consider director candidates recommended by stockholders. The Nominating and Governance Committee will evaluate director candidates in light of several factors, including the general criteria set forth above. Stockholders who wish to recommend individuals for consideration by the Nominating and Governance Committee to become nominees for election to our board of directors at an Annual Meeting of stockholders must do so in accordance with the procedures set forth in “Stockholder Proposals to be Presented at the 2015 Annual Meeting of Stockholders” section of this proxy statement and in compliance with our bylaws. Each submission must set forth: the name and address of the stockholder on whose behalf the submission is made; the number of our shares that are owned beneficially by such stockholder as of the date of the submission and the time period for which such shares have been held; the derivative securities interests owned beneficially by such stockholder as of the date of the submission; a statement from the record holder of the shares and derivative securities interests verifying the holdings; the full name of the proposed candidate; a description of the proposed candidate’s business experience for at least the previous five years; complete biographical information for the proposed candidate; a description of the proposed candidate’s qualifications as a director; and any other information described in our bylaws and in our “Guidelines for Evaluating Director Candidates,” which is available on our website at www.lululemon.com. To date, the Nominating and Governance Committee has not received a director nomination from a stockholder or stockholders holding more than 5% of our voting stock.

Board Structure

We have a classified board structure where board members are elected to three-year terms, such that generally every year only one-third of the directors are considered for election or re-election. We have had this board structure continuously since lululemon became a publicly traded company in 2007. Our board of directors believes that the classified board structure has served lululemon and our stockholders well and continues to benefit our stockholders. Our board of directors and its current governance structure has overseen a sustained period of strong performance. Our commitment to the value and reputation of the lululemon athletica brand, the concentrated efforts of our board of directors, and the constant focus on our mission and core values have produced strong financial performance over time. We believe that continuity in membership of our board of directors has assisted in consistent application of our heritage of combining performance and style to achieve our goals.

Our board of directors believes that a classified board structure provides valuable stability and continuity of leadership for lululemon which is important to long-term stockholder value. With three-year terms, directors develop a deeper understanding of our business, competitive environment, and strategic goals. Experienced directors are better positioned to provide effective oversight and advice consistent with the long-term best interest of stockholders.

Electing directors to three-year terms also enhances the independence of non-employee directors. The longer term reduces the influence of special interest groups or significant stockholders who may have agendas contrary to the majority of stockholders and lululemon's own long-term goals.

Our stockholders have repeatedly and consistently registered their approval of the decision making of our board of directors. They have also registered their approval of the board of directors, by a margin of nearly 100% of the votes cast in the last three elections. Similarly, in 2011 stockholders approved the compensation of our named executive officers by a vote of the holders of approximately 85% of our outstanding stock voting for approval.

In addition, our board of directors intends that the classified board structure be a safeguard against a purchaser gaining control of lululemon without paying fair value. Because only one-third of the directors are elected at any Annual Meeting, a majority of the board of directors cannot be replaced at a single Annual Meeting. A classified board does not preclude a change in control of lululemon. It does, however, provide the board of directors more time and flexibility to evaluate the adequacy and fairness of proposed

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offers, to implement the optimal method of enhancing stockholder value, to protect stockholders against abusive tactics during a takeover process, and to negotiate the best terms for all stockholders, without the threat of imminent removal of a majority of board members. Our board of directors believes that without a classified board structure, the board of directors' power to deal with proposals it believes are unfair to lululemon's stockholders or inadequate would be significantly reduced.

Board Leadership Structure

Our board of directors believes that one of its most important functions is to protect stockholders' interests through independent oversight of management, including the Chief Executive Officer. However, our board of directors does not believe that effective management oversight necessarily mandates a particular management structure, such as a separation of the role and identities of the Chairman of the Board and Chief Executive Officer. Our board of directors considers it important to retain flexibility to exercise its judgment as to the most appropriate management structure for lululemon, based on the particular circumstances facing lululemon from time to time.

Currently, the positions of Chairman of the Board and Chief Executive Officer are held by separate persons because our board of directors has determined that this structure aids in the oversight of management and is in the best interests of our company and our stockholders at this point in time. Dennis J. Wilson currently serves as Chairman of the Board.

Our board of directors has also appointed Michael Casey as Lead Director. Since our Chairman of the Board, Dennis J. Wilson, is a substantial stockholder and is a former employee of the company, our board of directors believes it is desirable also to appoint one of its independent members as Lead Director to provide an additional level of independent oversight over management. The Lead Director, together with the Chairman of the Board, performs numerous functions, including working with the Chief Executive Officer and the chairpersons of the committees of our board of directors to develop agendas for meetings of our board of directors and its committees. In addition, the Lead Director presides at meetings of our board of directors when the Chairman of the Board is not present, develops agendas for executive sessions of the non-management directors, serves as a liaison between the Chairman of the Board and the Chief Executive Officer and the other non-management directors, approves information sent to our board of directors, approves meeting agendas and schedules for our board of directors, has the authority to call meetings of the non-management directors and performs such other functions and responsibilities as requested by the Chairman of the Board or our board of directors from time to time.

As previously announced, Mr. Wilson informed the board of directors that he is resigning from the position of Chairman of the Board, and will step down from the role effective prior to the 2014 Annual Meeting. The board of directors has selected Mr. Casey as the next Chairman of the Board. Mr. Casey is expected to assume this role prior to the 2014 Annual Meeting. Mr. Wilson will retain a seat on the board of directors.

Communications with Directors

Stockholders may communicate with members of our board of directors by transmitting correspondence by mail, facsimile or email, addressed as follows:

Corporate Secretary

c/o lululemon athletica inc.
1818 Cornwall Avenue
Vancouver, British Columbia
Canada V6J 1C7
Facsimile: (604) 874-6124
Email: investors@lululemon.com

The Corporate Secretary will, as appropriate, forward communication to our board of directors or to any individual director, directors, or committee of our board of directors to whom the communication is directed.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of the officers, directors and employees of lululemon and our subsidiaries. The most current version is available on our website at www.lululemon.com. If we make any substantive amendments to the code or grant any waiver from a provision of the code to any executive

officer or director, we will promptly disclose the nature of the amendment or waiver on our website, as well as via any other means required by Nasdaq rules or applicable law.

2011 “Say-on-Pay” Advisory Vote on Executive Compensation

We provided stockholders a “say-on-pay” advisory vote on our executive compensation at our Annual Meeting in 2011 under recently adopted Section 14A of the Securities Exchange Act of 1934, as amended. At our 2011 Annual Meeting, stockholders

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expressed substantial support for the compensation of our named executive officers (which term includes our chief executive officer, chief financial officer and each of our next three most highly compensated executive officers during a particular fiscal year), with holders of approximately 85% of our outstanding stock voting for approval of the “say-on-pay” advisory vote on executive compensation. Additionally, a majority of our voting stockholders approved a “say-on-frequency” advisory vote of every three years for the frequency of future “say-on-pay” advisory votes. The Compensation Committee evaluated the results of the 2011 “say-on-pay” and “say-on-frequency” advisory votes at its meeting held in September 2011. The Compensation Committee also considered many other factors in evaluating our executive compensation programs as discussed in the Compensation Discussion and Analysis, including the Compensation Committee’s assessment of the interaction of our compensation programs with our corporate business objectives, evaluations of our programs by external consultants and a review of compensation data for a comparative group of peers. While each of these factors bore on the Compensation Committee’s decisions regarding the compensation of our named executive officers, the Compensation Committee did not make any changes to our executive compensation policies and practices as a direct result of the 2011 “say-on-pay” advisory vote. Our board of directors also determined that the next “say-on-pay” advisory vote on executive compensation will be held at our 2014 Annual Meeting of stockholders. Further details are outlined under Proposal No. 3.

Risk Oversight

In its governance role, and particularly in exercising its duty of care and diligence, our board of directors is responsible for ensuring that appropriate risk management policies and procedures are in place to protect the company’s assets and business. While our board of directors has the ultimate oversight responsibility for the risk management process, our board of directors has delegated to the Audit Committee the initial responsibility of overseeing the company’s risk assessment and risk management. In fulfilling its delegated responsibility, the Audit Committee has directed management to ensure that an approach to risk management is implemented as a part of the day-to-day operations of lululemon, and to design internal control systems with a view to identifying and managing material risks.

On a periodic basis (not less than quarterly), the Audit Committee reviews and discusses with our Chief Executive Officer, our risk and compliance team and our internal auditors the company’s significant financial risk exposures and the steps that management has taken to monitor, control and report such risks. In addition, the Audit Committee regularly evaluates the company’s policies, procedures and practices with respect to enterprise risk assessment and risk management, including discussions with management about material risk exposures and the steps being taken to monitor, control and report such risks. The Audit Committee reports its activities to the full board of directors on a regular basis (not less than annually) and in that regard makes such recommendations to our board of directors with respect to risk assessment and management as it may deem necessary or appropriate.

On a periodic basis (not less than annually), the Compensation Committee reviews the various design elements of our compensation policies and practices to determine whether any of their aspects encourage excessive or inappropriate risk-taking by our executive officers. The Compensation Committee reports its activities in this regard to the full board of directors and makes such recommendations to our board of directors with respect to our compensation policies and practices as it may deem necessary or appropriate.

Compensation Committee Interlocks and Insider Participation

The three current members of the Compensation Committee, RoAnn Costin, Rhoda M. Pitcher, and Thomas G. Stemberg (Chairperson), have never served as one of our officers or employees. None of our executive officers currently serve, or in fiscal 2013 served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers who serve on our board of directors or Compensation Committee.

Director and Officer Stock Ownership Guidelines

In June 2008, we adopted our director and officer stock ownership guidelines due to our belief that our non-employee directors and certain of our executive officers should have a meaningful ownership stake in lululemon to underscore the alignment of executive officer, director, and stockholder interests and to encourage a long-term perspective in our management. Accordingly, our Nominating and Governance Committee adopted formal stock ownership guidelines, as amended through the current date, as follows:

Position	Minimum Ownership Guidelines (Dollar Value of Shares)
Non-employee directors	5 x Annual Retainer Compensation
Chief Executive Officer	6 x Base Salary
Other executive officers reporting to Chief Executive Officer	3 x Base Salary

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Our non-employee directors and certain of our executive officers that are subject to the guidelines are encouraged to comply with the guidelines by the later of April 2014 and five years after their date of hire, appointment or election.

Executive Officers

We designate persons serving in the following positions as our “executive officers”: our chief executive officer, our chief financial officer, and our vice presidents who are in charge of a principal unit of our business, or perform a policy-making function for us. Our executive officers and their ages as of May 2, 2014 were as follows:

Name	Age	Position	Officer Since
Laurent Potdevin	47	Chief Executive Officer	2014
John E. Currie	58	Chief Financial Officer	2007
Tara Poseley	48	Chief Product Officer	2013
Delaney Schweitzer	42	Executive Vice President, Retail Operations	2010
Laura Klauberg	59	Senior Vice President, Brand and Community	2012

Laurent Potdevin’s biographical summary is included under “Corporate Governance — Our Board of Directors.”

John E. Currie has served as our Chief Financial Officer since January 2007. Prior to joining lululemon, he worked for Intrawest Corporation, a provider of destination resorts and leisure travel, from 1989 to 2006, including as CFO from 2004 to 2006, and Senior Vice President, Financing & Taxation, from 1997 to 2004. Prior to joining Intrawest, he held senior financial positions within the BCE Group, a telecommunications service provider, and was a specialist in international taxation with a major accounting firm. Mr. Currie was a member of the board of directors of Hathor Exploration Limited from November 2006 to January 2012. He has been a member of the board of directors for the Vancouver Airport Authority since November 2012 and Clearly Contacts Inc. since April 2012. He is a chartered accountant, and received his Bachelor of Commerce degree from the University of British Columbia.

Tara Poseley has served as our Chief Product Officer since November 2013. Prior to joining lululemon, she served as President of Kmart Apparel, a multi-channel, multi-category business with several billion in revenue, at which she was responsible for the revitalization of Kmart Apparel and the launch of several new product collections to attract a younger and multi-cultural customer. Previously, she held the position of Interim President at Bebe Stores, Inc., President of Disney Stores North America (The Children's Place), and CEO of Design Within Reach (DWR). Ms. Poseley also held a range of senior merchandising and design management positions during her 15 year tenure at Gap Inc.

Delaney Schweitzer has served as our Executive Vice President, Retail Operations since March 2014. Ms. Schweitzer began her career at lululemon in 2002. As one of the company’s pioneers, Ms. Schweitzer helped grow the company from one store in Canada to 254 total stores at the end of fiscal 2013. Since her days as a lululemon educator, then store manager, Ms. Schweitzer has served in various capacities within lululemon, including Director of Training and Culture, Director of Original Intent and Executive Vice President, Retail Operations North America. She currently holds the position of Executive Vice President, Retail Operations, and is responsible for overseeing the company’s store operations including directing the area managers and regional managers, store design, overseeing strategic sales and managing the store operations team. Prior to joining lululemon, Ms. Schweitzer spent 10 years in the hospitality industry as a general manager. She is a graduate of the Executive Advanced Management Program at Harvard Business School.

Laura Klauberg has served as our Senior Vice President, Brand and Community since April 2012. She is responsible for building the brand globally, leveraging its strong community relationships through social, grassroots and digital platforms. Formerly, Ms. Klauberg was Senior Vice President of Global Media, Unilever, based in London where she was responsible for building highly innovative media campaigns for a portfolio of global brands via enhanced capabilities in content, digital, media planning and buying. Prior to her most recent media roles, she was Senior Vice-President, Global Marketing for Unilever Cosmetics International, the global prestige fragrance marketer of such well-known brands as Calvin Klein, Vera Wang and Cerruti, and prior to that she was Vice President Skin Care, North America. She held a variety of brand marketing roles throughout her career at Unilever. Prior to Unilever, Ms. Klauberg joined Chesebrough-Pond’s from Clairol, where she first began her career in brand management after

receiving her MBA from New York University. She holds a BS from Cornell University. Ms. Klauberg is on the board of directors of Seventh Generation, a privately held maker of sustainable home and personal care products.

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PROPOSAL NO. 2

RATIFICATION OF SELECTION OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our board of directors has selected PricewaterhouseCoopers LLP, or PwC, as our independent registered public accounting firm to audit the consolidated financial statements of lululemon for the fiscal year ending February 1, 2015. PwC has acted in such capacity since its appointment in fiscal 2006. A representative of PwC is expected to be present at the Annual Meeting, with the opportunity to make a statement if the representative desires to do so, and is expected to be available to respond to appropriate questions.

Stockholder ratification of the selection of PwC as our independent registered public accounting firm is not required by our bylaws or otherwise. However, the board of directors is submitting the selection of PwC to the stockholders for ratification as a matter of good corporate governance practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee at its discretion may direct the selection of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of lululemon and our stockholders.

Fees for Professional Services

The following table sets forth the aggregate fees billed to lululemon for the fiscal years ended February 2, 2014 and February 3, 2013 by PwC:

	Fiscal 2013	Fiscal 2012
Audit Fees ⁽¹⁾	\$736,924	\$676,336
Audit-Related Fees ⁽²⁾	\$12,636	\$43,966
Tax Fees ⁽³⁾	\$25,273	\$—
All Other Fees ⁽⁴⁾	\$—	\$240,341

Audit Fees consist of fees billed for professional services rendered for the audit of our consolidated annual financial statements and review of the interim consolidated financial statements included in our quarterly reports

⁽¹⁾ and services that are normally provided by PwC in connection with statutory and regulatory filings or engagements, including issuance of comfort letters to underwriters and consent procedures in connection public filings.

⁽²⁾ Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under “Audit Fees.”

Tax Fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning ⁽³⁾ (domestic and international). These services include assistance regarding federal, state and international tax compliance, acquisitions and international tax planning.

⁽⁴⁾ All Other Fees consist of fees for products and services other than the services reported above.

None of the services related to Audit-Related Fees, Tax Fees or All Other Fees described above was approved by the Audit Committee pursuant to the waiver of pre-approval provisions set forth in applicable rules of the SEC. The Audit Committee’s policy is to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval. The Chairperson of the Audit Committee is also authorized, pursuant to delegated authority, to pre-approve additional services of up to \$25,000 per engagement on a case-by-case basis, and such approvals are communicated to the full Audit Committee at its next meeting.

Vote Required and Board Recommendation

Approval of this proposal requires the affirmative vote of a majority of the votes cast affirmatively or negatively on the proposal at the Annual Meeting, as well as the presence of a quorum representing a majority of all outstanding

shares of our common stock, either in person or by proxy. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum but will not have any effect on the outcome of the proposal.

Our board of directors unanimously recommends a vote “FOR” the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending February 1, 2015.

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PROPOSAL NO. 3

ADVISORY VOTE ON EXECUTIVE COMPENSATION

The guiding principles of our compensation policies and decisions include aligning each executive's compensation with our business strategy and the interests of our stockholders and providing incentives needed to attract, motivate and retain key executives who are important to our long-term success. Consistent with this philosophy, a significant portion of the total incentive compensation for each of our executives is directly related to our earnings and to other performance factors that measure our progress against the goals of our strategic and operating plans.

Stockholders are urged to read the Compensation Discussion and Analysis section of this proxy statement, which discusses how our compensation design and practices reflect our compensation philosophy. The Compensation Committee and our board of directors believe that our compensation design and practices are effective in implementing our philosophy.

We are required to submit a proposal to stockholders for a (non-binding) advisory vote to approve the compensation of our named executive officers pursuant to Section 14A of the Securities Exchange Act of 1934, as amended. This proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on the compensation of our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the principles, policies and practices described in this proxy statement. Accordingly, the following resolution is submitted for stockholder vote at the Annual Meeting:

"RESOLVED, that the stockholders of lululemon athletica inc. approve, on an advisory basis, the compensation of its named executive officers as disclosed in the proxy statement for the Annual Meeting, including the Summary Compensation Table and the Compensation Discussion and Analysis set forth in such proxy statement and other related tables and disclosures."

As this is an advisory vote, the result will not be binding on us, our board of directors or the Compensation Committee, although the Compensation Committee will consider the outcome of the vote when evaluating our compe