

HAIN CELESTIAL GROUP INC
Form PRE 14A
October 15, 2010
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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

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

THE HAIN CELESTIAL GROUP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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THE HAIN CELESTIAL GROUP, INC.

58 South Service Road

Melville, NY 11747

631-730-2200

October [], 2010

Dear Fellow Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of The Hain Celestial Group, Inc., which will be held at the Amphitheater at 58 South Service Road, Melville, New York 11747 on Thursday, November 18, 2010, at 11:00 a.m., Eastern Time.

At our annual meeting, we will vote on the election of our directors, the advisory vote regarding the compensation of our named executive officers for the fiscal year ended June 30, 2010, as set forth in the summary compensation table, the amendment of our Amended and Restated 2002 Long Term Incentive and Stock Award Plan, the proposal to amend our By-Laws to provide stockholders with the ability to call special meetings of stockholders and the ratification of the appointment of our registered independent accountants. In addition to these formal items of business, we will review the major developments of the past year and share with you some of our plans for the future. You will have an opportunity to ask questions and express your views to the senior management of The Hain Celestial Group, Inc. and members of the Board of Directors, who will also be present.

Your vote is important. Whether or not you plan to attend the annual meeting, please read the enclosed proxy statement and submit your vote by completing and returning the enclosed proxy card by mail or, if you are a beneficial owner of shares held in street name, you may vote by telephone or via the Internet.

I hope to see you on November 18th.

Sincerely,

Irwin D. Simon

President, Chief Executive

Officer and Chairman of the Board

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THE HAIN CELESTIAL GROUP, INC.

58 South Service Road

Melville, NY 11747

631-730-2200

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

AND PROXY STATEMENT

To the Stockholders of **THE HAIN CELESTIAL GROUP, INC.:**

The Annual Meeting of Stockholders of The Hain Celestial Group, Inc. will be held on Thursday, November 18, 2010 at 11:00 a.m., Eastern Time at the Amphitheater at 58 South Service Road, Melville, New York 11747 for the following purposes:

1. To elect all of the director nominees specified herein to serve until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified;
2. To vote, on an advisory basis, for the compensation awarded to the named executive officers for the fiscal year ended June 30, 2010, as set forth in the summary compensation table;
3. To approve the amendment of the Amended and Restated 2002 Long Term Incentive and Stock Award Plan;
4. To approve an amendment to the By-Laws providing stockholders with the ability to call special meetings of stockholders;
5. To ratify the appointment of Ernst & Young LLP as our registered independent accountants for the fiscal year ending June 30, 2011; and,
6. To transact such other business as may properly come before the meeting.

These matters are more fully described in the attached proxy statement, which is made a part of this notice.

Only stockholders of record as of the close of business on October 4, 2010 are entitled to notice of, and to vote at, the annual meeting, or any adjournment thereof. A list of these stockholders will be available for inspection by any stockholder for any purpose germane to the annual meeting for a period of 10 days prior to the annual meeting at our principal executive office located at 58 South Service Road, Melville, NY 11747, and will also be available at the annual meeting.

It is expected that this Notice of Annual Meeting of Stockholders and Proxy Statement, the enclosed proxy card and our Annual Report to Stockholders for the fiscal year ended June 30, 2010 will be mailed to stockholders of record on or about [October 26, 2010.]

Your vote is important. Whether or not you expect to attend the annual meeting in person, please submit your vote as soon as possible by signing and dating the enclosed proxy card and mailing it promptly in the enclosed reply envelope. As an alternative to using the paper proxy card to vote, beneficial owners of shares held in street name, may vote by telephone or via the Internet.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE MEETING OF STOCKHOLDERS TO BE HELD ON NOVEMBER 18, 2010: A complete set of proxy materials relating to our annual meeting is available on the Internet. These materials, consisting of the Notice of Annual Meeting of Stockholders and Proxy Statement, including Proxy Card and Annual Report to Stockholders for the fiscal year ended June 30, 2010, may be viewed at <http://www.hain-celestial.com/proxy>.

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Directions to the Annual Meeting of Stockholders

From New York City: Take the Long Island Expressway East to Exit 48 (Round Swamp Road). Proceed straight off exit and after the first traffic light our building is the second one on the right.

From Eastern Long Island: Take the Long Island Expressway West to Exit 48 (Round Swamp Road). Proceed to traffic light and make a left turn. Go under the overpass and make a left turn going East. Our building is the second one on the right.

Long Island Rail Road: Take the Ronkonkoma Branch Line to the Farmingdale Station. Take a cab to 58 South Service Road, Melville, New York.

The Amphitheater is located on the lower level.

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THE HAIN CELESTIAL GROUP, INC.

PROXY STATEMENT

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QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Why am I receiving these materials?

We sent you this proxy statement and the enclosed proxy card because the Board of Directors (sometimes referred to as the (*Board*) of The Hain Celestial Group, Inc. (sometimes referred to as *we* , *us* , *our* , *the Company* or *Hain Celestial*) is soliciting your proxy to vote at the 2010 Annual Meeting of Stockholders and at any adjournment or postponement thereof. The annual meeting will be held on Thursday, November 18, 2010 at 11:00 a.m., Eastern Time at the Amphitheater at 58 South Service Road, Melville, New York 11747. You are invited to attend the annual meeting and we request that you vote on the proposals described in this proxy statement. However, you do not need to attend the annual meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card.

The Company intends to mail this proxy statement and accompanying proxy card on or about [October 26, 2010] to all stockholders of record entitled to vote at the annual meeting.

What are the items of business for the annual meeting?

There are five matters scheduled for a vote:

The election of all the director nominees specified herein to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified;

To vote, on an advisory basis, for the compensation awarded to the named executive officers for the fiscal year ended June 30, 2010, as set forth in the summary compensation table;

To approve the amendment of the Amended and Restated 2002 Long Term Incentive and Stock Award Plan;

To approve an amendment to the By-Laws providing stockholders with the ability to call special meetings of stockholders; and,

To ratify the appointment of Ernst & Young LLP as our registered independent accountants for the fiscal year ending June 30, 2011.

Who can vote at the annual meeting?

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Only stockholders of record at the close of business on October 4, 2010 will be entitled to vote at the annual meeting. On the record date, there were 42,854,979 shares of common stock outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If on October 4, 2010 your shares were registered directly in your name with the Company's transfer agent, Continental Stock Transfer & Trust Company, then you are a stockholder of record. As a stockholder of record, you may vote in person at the annual meeting or vote by proxy. Whether or not you plan to attend the annual meeting, we urge you to fill out and return the enclosed proxy card to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on October 4, 2010 your shares were held in an account at a broker, bank or other agent, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker, bank or other agent on how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the annual meeting unless you request and obtain a valid proxy from your broker or other agent.

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How do I vote?

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the annual meeting or vote by proxy using the enclosed proxy card. Whether or not you plan to attend the annual meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the annual meeting and vote in person if you have already voted by proxy. To vote in person, come to the annual meeting and we will give you a ballot during the meeting. To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If we receive your signed proxy card before the annual meeting, we will vote your shares as you direct.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from us. Simply complete and mail the proxy card to ensure that your vote is counted. Alternatively, you may vote by telephone or via the Internet as instructed by your broker, bank or other agent. To vote in person at the annual meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker, bank or other agent included with these proxy materials, or contact your broker, bank or other agent to request a proxy form.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you owned as of October 4, 2010.

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted as follows:

For the election of all director nominees specified herein;

For, on an advisory basis, the compensation awarded to the named executive officers for the fiscal year ended June 30, 2010, as set forth in the summary compensation table;

For the amendment of the Amended and Restated 2002 Long Term Incentive and Stock Award Plan;

For the amendment to the By-Laws providing stockholders with the ability to call special meetings of stockholders; and

For the ratification of Ernst & Young LLP as our independent accountants for the fiscal year ending June 30, 2010.

The Company does not expect that any matters other than the election of directors and other proposals described herein will be brought before the annual meeting. The persons appointed as proxies will vote in their discretion on any other matters that may properly come before the annual meeting or any postponement or adjournments thereof, including any vote to postpone or adjourn the annual meeting.

Who is paying for this proxy solicitation?

We will bear the cost of soliciting proxies. We expect that the solicitation of proxies will be primarily by mail. Proxies may also be solicited by our officers and employees at no additional cost to us in person, by telephone, or by other means of communication. We may reimburse custodians, nominees and fiduciaries holding our common stock for their reasonable expenses in sending proxy materials to beneficial owners and obtaining their proxy.

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What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return each proxy card to ensure that all of your shares are voted.

How do I revoke my proxy?

If you are the stockholder of record, you may revoke your proxy if we receive your revocation at any time before the final vote at the annual meeting. You may revoke your proxy by sending a written notice stating that you are revoking your proxy before it is voted at the meeting to the Corporate Secretary at The Hain Celestial Group, Inc., 58 South Service Road, Melville, New York 11747 or by attending the annual meeting and voting in person.

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, your ability to revoke your proxy depends on the voting procedures of the broker, bank or other agent. Please follow the directions provided to you by your bank or broker.

How are votes counted?

Votes will be counted by the inspector of election appointed for the annual meeting, who will separately count For and Against votes, abstentions and broker non-votes. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner (despite voting on at least one other proposal for which it does have discretionary authority or for which it has received instructions). Broker non-votes on a proposal are not counted or deemed present or represented and entitled to vote for determining whether stockholders have approved that proposal. Therefore, broker non-votes have no effect and will not be counted towards the vote total for any proposal. Shares not present at the meeting and shares voting abstain have no effect on the election of directors. For all other proposals, abstentions are treated as shares present or represented and voting, so abstaining has the same effect as a negative vote.

Under the rules that govern brokers who are voting with respect to shares held in street name, brokers have the discretion to vote those shares on routine matters, but not on non-routine matters. Routine matters include approval of by-law amendments and ratification of independent public accountants. Non-routine matters include the election of directors, ratification of executive compensation and actions on stock plans.

How many votes are needed to approve each proposal?

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Each director must be elected by a plurality of the votes cast, meaning a nominee will be elected if the number of votes cast For that director exceeds the number of votes cast Against that director. Abstentions and broker non-votes will have no effect.

To be approved, all other proposals must receive a For vote from the majority of shares present and entitled to vote either in person or by proxy. If you Abstain from voting, it will have the same effect as an Against vote. Broker non-votes will have no effect.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid annual meeting. A quorum will be present if at least a majority of the outstanding shares are represented by proxy or by stockholders present and entitled to vote at the annual meeting. On the record date, there were 42,854,979 shares outstanding and entitled to vote. Thus, 21,427,490 shares must be represented by proxy or by stockholders present and entitled to vote at the annual meeting to have a quorum.

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Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker or bank) or if you vote in person at the annual meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the chairman of the annual meeting or holders of a majority of the votes present at the annual meeting may adjourn the annual meeting to another time or date.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. We will publish final results in a Current Report on Form 8-K that we expect to file with the Securities and Exchange Commission within four business days of the annual meeting. After the Form 8-K is filed, you may obtain a copy by visiting our website or contacting our Investor Relations Department by calling (877) 612-4246, by writing to Investor Relations Department, The Hain Celestial Group, Inc., 58 South Service Road, Melville, New York or by sending an email to investorrelations@hain-celestial.com.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

Our Board of Directors is currently composed of 12 members, of which 10 will stand for re-election at the annual meeting. It is proposed that the 10 incumbent directors standing for re-election be elected to hold office until the next annual meeting and until their successors are elected and qualified. Following the Annual Meeting, Beth L. Bronner and Daniel R. Glickman will cease being directors of the Company.

The Board has nominated, and the proxies will vote to elect, unless otherwise directed, the following individuals as members of the Board of Directors to serve until the next annual meeting of stockholders and until their respective successors are duly elected and qualified: Irwin D. Simon, Barry J. Alperin, Richard C. Berke, Jack Futterman, Marina Hahn, Brett Icahn, Roger Meltzer, David Schechter, Lewis D. Schiliro, and Lawrence S. Zilavy. Each nominee has consented to be nominated and to serve, if elected.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE NOMINEES.

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<u>Name</u>	<u>Position with the Company</u>	<u>Age</u>	<u>Director Since</u>
Irwin D. Simon	Chairman of the Board, President and Chief Executive Officer	52	1993
Barry J. Alperin	Director	70	2004
Richard C. Berke	Director	65	2007
Jack Futterman	Director	77	1996
Marina Hahn	Director	53	2000
Brett Icahn	Director	31	2010
Roger Meltzer	Director	59	2000
David Schechter	Director	35	2010
Lewis D. Schiliro	Director	61	2004
Lawrence S. Zilavy	Director	59	2002

Irwin D. Simon, President, Chief Executive Officer and Chairman of the Board

Irwin D. Simon is the founder of The Hain Celestial Group, Inc. and has been our President and Chief Executive Officer and a director since our inception. Mr. Simon was appointed Chairman of the Board of Directors in April 2000. Previously, Mr. Simon was employed in various marketing capacities at Slim-Fast Foods Company and The Haagen-Dazs Company, a division of Grand Metropolitan, plc. Mr. Simon currently serves as a lead director of Jarden Corporation, an independent non-executive director of Yeo Hiap Seng Limited and as a director of several privately-held companies. During the last five years, Mr. Simon also served as a director of Marathon Acquisition Corp. Mr. Simon also participates in several industry and charitable organizations including The New York State Council on Food Policy. Mr. Simon is the past chapter chairman of YPO Gotham Chapter, New York City.

Key Attributes, Experience and Skills:

As our founder, and our President and CEO since our inception, Mr. Simon brings to the Board unique perspectives and invaluable, in-depth knowledge of the Company, including its strategic opportunities, personnel, relationships with key customers and suppliers, competitive positioning, history, culture, and all other aspects of its operations. In addition, Mr. Simon possesses a great depth of knowledge and experience regarding the natural and organic products industry not easily found elsewhere. He is considered to be a prominent visionary and leader in the natural and organic products industry.

Barry J. Alperin

Barry J. Alperin has been a director since February 2004 and is the chairperson of our Corporate Governance and Nominating Committee and a member of the Audit Committee. Mr. Alperin, who is retired, served as Vice Chairman of Hasbro, Inc. from 1990 through 1995, as Co-Chief

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Operating Officer of Hasbro, Inc. from 1989 through 1990 and as Senior Vice President or Executive Vice President of Hasbro, Inc. from 1985 through 1989. He was a director of Hasbro from 1985 through 1996. Prior to joining Hasbro, Mr. Alperin practiced law in New York City for 20 years, dealing with corporate, public and private financial transactions, corporate mergers and acquisitions, compensation issues and securities law matters. Mr. Alperin currently serves as a director of Henry Schein, Inc. and K-Sea Transportation Partners L.P.

Key Attributes, Experience and Skills:

The Company values Mr. Alperin's financial expertise and his extensive experience in corporate and securities laws and corporate governance matters. Additionally, as the Company continues to grow through strategic acquisitions, the Board of Directors values the experience gained by Mr. Alperin leading Hasbro's mergers and acquisitions and global expansion efforts. In addition, he has acquired extensive corporate governance experience through his service as a director of several other public companies.

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Richard C. Berke

Richard C. Berke has been a director since April 2007 and is the chairperson of our Compensation Committee. Mr. Berke currently serves as a consultant for Broadridge Financial Solutions, Inc. (*Broadridge*), formerly ADP Brokerage Services Group until its spin-off from Automatic Data Processing, Inc. (*ADP*) in March 2007. Effective January 2010, Mr. Berke retired as Vice President, Human Resources for Broadridge. From January 1989 until its spin-off of Broadridge, Mr. Berke had served as Corporate Vice President of Human Resources with ADP. He held the position of President of ADP's Benefits Services Division from January 1995 through December 1995.

Key Attributes, Experience and Skills:

With more than 35 years of experience as a human resources professional in positions of increasing responsibility, Mr. Berke has extensive knowledge and experience relating to human resources and executive compensation matters, which he brings to the Compensation Committee and the Board of Directors.

Jack Futterman

Jack Futterman has been a director since December 1996 and is a member of the Compensation Committee and the Audit Committee. Mr. Futterman served as Chairman and Chief Executive Officer of Party City Stores, Inc. from June 1999 through December 1999. Mr. Futterman retired as Chairman and Chief Executive Officer of Pathmark Stores, Inc. in March 1996. He joined Pathmark in 1973 as Vice President of its Drugstore and General Merchandise Divisions and occupied a number of positions before becoming Chairman and Chief Executive Officer. Mr. Futterman is a former Chairman of the National Association of Chain Drugstores.

Key Attributes, Experience and Skills:

As the former CEO of two companies, Mr. Futterman has extensive experience in leadership, executive management and assessing business and non-business risk. Finally, as the independent director on the Board with the longest tenure, Mr. Futterman brings significant Company knowledge to the Board.

Marina Hahn

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Marina Hahn has been a director since May 2000. Prior to that, she had served as a director of Celestial Seasonings since 1994. Currently, Ms. Hahn serves as Chief Marketing Officer of Spirits Marque One LLC, makers of SVEDKA vodka and a division of Constellation Brands, where she has worked since 2003. From 1998 to 2001, Ms. Hahn served as Executive Vice President of J. Walter Thompson Company, an advertising agency. Previously, Ms. Hahn was employed in various capacities by the William Morris Agency, Inc., Sony Electronics, Inc., Pepsi-Cola Company and DDB Needham Worldwide, Inc.

Key Attributes, Experience and Skills:

With years of demonstrated industry experience, including thirty years of branding/marketing experience, Ms. Hahn brings to the Board a unique perspective into the Company's brands, expertise in consumer marketing and valuable insight into marketing issues specific to the consumer packaged goods industry.

Brett Icahn

Brett Icahn has been a director since July 2010. Mr. Icahn has been employed by Carl Icahn and his affiliated investment funds since 2002. Mr. Icahn has served as director of Cadus Corporation since July 2010, as a director of Take-Two Interactive Software since April 2010, as a director of Motricity, Inc. since January 2010, and as a director of American Railcar Industries Inc. since January 2007. Mr. Icahn also had served on the board of HowStuffWorks.com, an internet website acquired by Discovery Communications, Inc. in 2007. Mr. Icahn received a B.A. from Princeton University.

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Mr. Icahn was appointed to the Board pursuant to an agreement dated as of July 7, 2010 between the Company and certain investment funds managed by Carl C. Icahn. Pursuant to this agreement, the size of the existing Board was temporarily increased to twelve directors and Mr. Icahn was appointed to the Board to fill one of the resulting vacancies, effective July 7, 2010. Mr. Icahn serves on our Board of Directors as a designee of Carl Icahn and his affiliated entities.

Key Attributes, Experience and Skills:

As an employee of Carl Icahn and his affiliated investment funds, Mr. Icahn brings significant finance and investment experience to the Board. He has served on a number of public and private boards, which have provided him with a broad understanding of the operational, financial and strategic issues facing public and private companies.

Roger Meltzer

Roger Meltzer has been a director since December 2000. Mr. Meltzer has practiced corporate and securities law for more than 30 years, representing clients in a range of finance transactions, including mergers, acquisitions and dispositions, public offerings and public and private placements of debt and equity securities. In February 2007, Mr. Meltzer joined the law firm of DLA Piper LLP (US) as a partner and Global Chair of the Corporate and Finance practice, where he practices corporate law. Prior to February 2007, he was a partner and a member of the executive committee of the law firm of Cahill Gordon & Reindel LLP.

Key Attributes, Experience and Skills:

The Company values the significant legal and financial expertise Mr. Meltzer brings to the Board through his extensive experience in corporate and securities laws. In addition, the Board values Mr. Meltzer's experience as the Company continues to grow through strategic acquisitions. Finally, as the long-time legal advisor to the Company, Mr. Meltzer brings in-depth knowledge about the Company's history to the Board.

David Schechter

David Schechter has been a director since July 2010. Mr. Schechter has been employed by Icahn Capital LP, the entity that manages the private investment funds in the Icahn Group and in various roles of increasing responsibility since November 2004. From January 2004 to October 2004, Mr. Schechter served as an investment analyst with Icahn Associates Corp. and High River Limited Partnership, entities that are primarily engaged in the business of holding and investing in securities. Mr. Schechter also serves on the boards of directors of the following companies: WestPoint International, Inc., a manufacturer of bed and bath home fashion products; Federal-Mogul Corporation, a supplier of automotive products and XO Holdings, Inc., a telecommunications company. From August 2007 to August 2008, Mr. Schechter served as a director of WCI

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Communities, Inc., a homebuilding company, and from February 2008 to July 2008 served as a director of BFK Capital Group, Inc. Prior to January 2004, Mr. Schechter served as vice president of global special situations at Citigroup, a unit responsible for making proprietary investments in distressed situations. Mr. Schechter received a B.S. in Economics, cum laude, from the Wharton School at the University of Pennsylvania.

Mr. Schechter was appointed to the Board pursuant to an agreement dated as of July 7, 2010 between the Company and certain investment funds managed by Carl C. Icahn. Pursuant to this agreement, the size of the existing Board was temporarily increased to twelve directors and Mr. Schechter was appointed to the Board to fill one of the resulting vacancies, effective July 7, 2010. Mr. Schechter serves on our Board of Directors as a designee of Carl Icahn and his affiliated entities.

Key Attributes, Experience and Skills:

Mr. Schechter brings significant finance and investment experience to the Board. He has served on a number of public and private boards, which have provided him with a broad understanding of the operational, financial and strategic issues facing public and private companies.

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Lewis D. Schiliro

Lewis D. Schiliro has been a director since February 2004. In January 2009, he was appointed Delaware's Secretary for Safety and Homeland Security. From 1975 to 2000 Mr. Schiliro was a Special Agent with the Federal Bureau of Investigation (the *FBI*). In April 2000, he retired from the FBI as the Director of the FBI's New York Field Office. Since his retirement from the FBI, Mr. Schiliro has held positions with MBNA Bank, the Metropolitan Transportation Agency, Freeh Group International and AIG World Investigative Group. Mr. Schiliro is currently a member of the Board of Directors of the Diamond State Port Corporation. In addition, Mr. Schiliro has served as an Adjunct Professor at both Wilmington University and the University of Delaware. He is an attorney admitted to practice in both New York and Washington, D.C. as well as the Federal Courts.

Key Attributes, Experience and Skills:

During his long tenure with the FBI, Mr. Schiliro supervised numerous investigations involving corporate accounting, integrity and reporting issues, which provided him with a broad understanding of accounting, corporate compliance and corporate governance issues. In addition, the Board values his extensive experience in assessing business and non-business risk and crisis management.

Lawrence S. Zilavy

Lawrence S. Zilavy has been a director since November 2002 and is the chairperson of our Audit Committee. In September 2009, Mr. Zilavy was appointed manager of a private family office. From May 2006 until September 2009, Mr. Zilavy served as Senior Vice President of Barnes & Noble College Booksellers, Inc. Mr. Zilavy was Executive Vice President, Corporate Finance and Strategic Planning for Barnes & Noble, Inc. from May 2003 to November 2004 and was Chief Financial Officer of Barnes & Noble, Inc. from June 2002 through April 2003. Prior to joining Barnes & Noble, Inc., Mr. Zilavy worked as a banker for 25 years. Mr. Zilavy is currently a director of GameStop Corp. and the non-profit Community Resource Exchange. During the last five years, Mr. Zilavy also served as a director of Barnes & Noble, Inc.

Key Attributes, Experience and Skills:

Mr. Zilavy has significant executive-level experience in a large retail company and experience on public company boards, which, together with his 25 years of experience as a banker, has provided him with strong finance expertise, operating and governance skills.

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BOARD OF DIRECTORS

AND CORPORATE GOVERNANCE

The Board of Directors

The primary responsibility of the Board of Directors is to foster our long-term success, consistent with its fiduciary duty to our stockholders. In addition, the Board has responsibility for establishing broad corporate policies and overseeing our direction, affairs and management.

Director Independence

A majority of the Board, consisting of Mses. Bronner and Hahn, and Messrs. Alperin, Berke, Futterman, Glickman, Icahn, Schechter, Schiliro, and Zilavy, are independent directors as defined in the listing standards of the NASDAQ Global Select Market (*NASDAQ*). Mr. Simon was determined not to be independent because he is our President and Chief Executive Officer. Mr. Meltzer was determined not to be independent because the law firm in which he is a partner acts as our regular outside counsel. In evaluating the independence of Messrs. Icahn and Schechter, the Board discussed their appointment to the Board as designees of Carl Icahn and his affiliated entities in light of the interpretive materials provided by NASDAQ and concluded that they are independent directors as defined in the NASDAQ listing standards.

Board Meetings and Attendance

The Board typically holds regular meetings at least once every quarter and holds special meetings when necessary. During the 2010 fiscal year, the Board held twelve meetings. We expect directors to attend Board meetings, the Annual Meeting of Stockholders, and meetings of the Committees on which they serve. All directors standing for reelection attended at least 75% of the meetings of the Board and of the committees on which they served during the fiscal year. Seven directors standing for reelection attended our 2009 Annual Meeting of Stockholders.

Board Leadership Structure

Our Corporate Governance Guidelines provide that the Board has no policy with respect to the need to separate or combine the offices of Chairman of the Board and Chief Executive Officer of the Company. The Board believes that stockholders are best served if the Board retains flexibility to decide what leadership structure works best for the Company based on the facts and circumstances existing from time to time. Mr. Simon currently serves as our Chairman of the Board, President and Chief Executive Officer. Mr. Simon has been our President and Chief Executive Officer and a director since our inception and is our founder. Mr. Simon was appointed Chairman of the Board of Directors in April 2000. As a result, Mr. Simon possesses a great depth of knowledge and experience regarding the Company, its business and the natural and

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organic products industry. During his tenure as Chairman and Chief Executive Officer, Mr. Simon has consistently demonstrated that his service in this combined capacity has fostered timely and clear communication with both the Board and Company management regarding significant issues facing the Company, effective decision-making, clear accountability and efficient execution of business strategies and plans. The Board believes that given the knowledge, experience and performance described above, it is in the best interests of the Company and its stockholders for Mr. Simon to continue to serve in a position that provides unified leadership and focus to both the Board and Company management, as well as a uniform voice to constituencies outside of the Company. Additionally, pursuant to Mr. Simon's employment agreement, we have agreed that so long as he is a member of our Board he will serve as Chairman of the Board unless he and the Company determine otherwise. If he is not re-appointed as Chairman of the Board, he will be entitled to terminate his employment with the rights and entitlements available to him under his employment agreement as if his employment was terminated by him for good reason.

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The Board currently does not have a lead independent director. Mr. Alperin, as chairperson of the Corporate Governance and Nominating Committee, presides over meetings of non-management directors and of independent directors. The Company does not have a lead independent director because the Board believes that it is currently best served without designating a single lead independent director. Of the ten directors standing for re-election, eight are independent under the NASDAQ listing standards and the Audit, Compensation and the Corporate Governance and Nominating Committees are composed solely of independent directors. In addition, the Board and each of these committees have complete and open access to any member of management and the authority to retain independent legal, financial and other advisors as they deem appropriate without consulting or obtaining the approval of any member of management. The Board also holds regularly scheduled executive sessions of only non-management directors in order to promote discussion among the non-management directors and assure independent oversight of management.

Board Role in Risk Oversight

Management is responsible for the Company's day-to-day risk management and the Board's role is to engage in informed oversight of and provide direction with respect to such risk management. In its oversight role regarding risk management, the Board focuses on understanding the nature of our enterprise risks, including risk in our operations, finances and the strategic direction of the Company and reviews and approves the Company's Annual Operating Plan. The Annual Operating Plan addresses, among other things, the risks and opportunities facing the Company. The Board receives regular updates regarding the Company's progress against its Annual Operating Plan and reviews quarterly updates regarding the related risks and opportunities. The Board maintains control over significant transactions and decisions that require Board approval for certain corporate actions (including material acquisitions or divestitures).

The Board has delegated certain risk management oversight responsibilities to the Audit Committee and the Compensation Committee.

As part of its responsibilities as set forth in its charter, the Audit Committee is responsible for discussing with management the Company's policies and guidelines regarding risk assessment and risk management as well as the Company's major financial risk exposures and the steps management has taken to monitor and control those exposures.

The Compensation Committee reviews the risk and reward structure of executive compensation plans, policies and practices. Considered in this review are program attributes deemed to help mitigate risk, including: (i) the use of multiple performance measures, balanced between short- and long-term objectives; (ii) the Compensation Committee's application of judgment when determining individual payouts; (iii) the presence of individual payout caps under plans and programs; and (iv) the Compensation Committee's ability to clawback incentive compensation based on erroneous financial statements caused by misconduct.

Executive Sessions

Non-management directors meet in executive session at each regularly scheduled meeting of the Board of Directors without any members of management present. In addition, independent directors meet several times a year. Mr. Alperin, as chairperson of the Corporate Governance and

Nominating Committee, presides over meetings of non-management directors and of independent directors.

Director Elections

All directors stand for election annually. Voting is not cumulative.

Committees of the Board

The Board of Directors has three standing committees: the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee. All committee members of the Audit Committee, the

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Compensation Committee, and the Corporate Governance and Nominating Committee are independent under the listing standards of NASDAQ. The Board of Directors has adopted a written charter for each of the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee, a current copy of which is available on our website at www.hain-celestial.com under Investor Relations. The members of the committees are identified in the table below.

Director	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Irwin D. Simon			
Barry J. Alperin	ü		Chair
Richard C. Berke		Chair	
Beth L. Bronner	ü		
Jack Futterman	ü	ü	
Daniel R. Glickman		ü	
Marina Hahn			ü
Brett Icahn			
Roger Meltzer			
David Schechter		ü	
Lewis D. Schiliro			ü
Lawrence S. Zilavy	Chair		

The Audit Committee.

The Audit Committee's principal duties include appointing, retaining and terminating our registered independent accountants, overseeing the work of and evaluating the independence of the registered independent accountants, reviewing with the registered independent accountants their reports as well as oversight responsibilities with respect to our financial statements, disclosure practices, accounting policies, procedures and internal controls.

Our Audit Committee is composed of Ms. Bronner and Messrs. Alperin, Futterman, and Zilavy, with Mr. Zilavy acting as chairperson. The Board has determined that each member of the Audit Committee (1) is independent as defined by applicable SEC rules and the listing standards of NASDAQ, (2) has not participated in the preparation of our financial statements or those of any of our current subsidiaries at any time during the past three years, and (3) is able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. In addition, the Board has determined that Ms. Bronner, and each of Messrs. Alperin, Futterman and Zilavy, is an audit committee financial expert as defined by applicable SEC rules. Audit Committee members are not permitted to serve on the audit committees of more than two other public companies.

During fiscal year 2010, our Audit Committee held eleven meetings. See Report of the Audit Committee.

The Compensation Committee.

The Compensation Committee's duties include reviewing our compensation strategy on an annual basis to ensure that such strategy supports our objectives and stockholder interests and that executive officers are rewarded in a manner consistent with such strategy. The Compensation Committee is also responsible for, among other things, reviewing and approving annual and long-term goals and financial objectives relevant to executive officer compensation, evaluating the performance of the executive officers in light of these goals and objectives, approving the annual and long-term compensation awards for our executive officers, except to the extent that such awards are equity awards, then such awards are recommended by the Compensation Committee to the independent members of the Board for their approval, and reviewing and assessing the management successio