LIFETIME BRANDS, INC
Form DEF 14A
April 30, 2019
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

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 Under §240.14a-12

LIFETIME BRANDS, 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:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously.

Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Table of Contents

Notice of 2019 Annual Meeting

and Proxy Statement

June 27, 2019 Garden City, New York

Table of Contents

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Fellow Stockholder:

I invite you to attend our Annual Meeting of Stockholders on Thursday, June 27, 2019 at 10:30 a.m. Eastern Time, at our office, located at 1000 Stewart Avenue, Garden City, New York 11530.

At the Annual Meeting, you will be asked: to elect a board of ten directors; to ratify the appointment of our independent registered public accounting firm; and to approve the compensation of the Company s named executive officers. We will also be sharing with you recent news about the Company, and you will be given the opportunity to ask questions and express your opinions about Lifetime Brands. You also will be able to see many of the outstanding, innovative products and brands that we proudly feature in our portfolio of kitchenware, tableware and other products.

Please visit our website, www.lifetimebrands.com, where you will find this Proxy Statement and our Annual Report for the fiscal year ended December 31, 2018.

On behalf of our directors and our management team, I thank you for your continued support of Lifetime Brands.

Best regards,

/s/ Jeffrey Siegel
Jeffrey Siegel
Chairman of the Board of Directors
April 30, 2019

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on June 27, 2019: The Proxy Statement, form of proxy, and Annual Report on Form 10-K for the fiscal year ended December 31, 2018 are available free of charge at www.envisionreports.com/LCUT. If you require directions to the Annual Meeting, please contact us at (516) 683-6000.

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

June 27, 2019, 10:30 a.m. Eastern Time

1000 Stewart Avenue, Garden City, New York 11530

Notice is hereby given that the Annual Meeting of Stockholders of Lifetime Brands, Inc., a Delaware corporation (the Company), will be held at the office of the Company, 1000 Stewart Avenue, Garden City, New York 11530 on Thursday, June 27, 2019 at 10:30 a.m., Eastern Time (the Annual Meeting), for the following purposes:

(1) To elect to the board of directors the ten persons named in the accompanying Proxy Statement, each to serve until the 2020 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified;

(2) To ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company for 2019; and

(3) To approve, on a non-binding advisory basis, the compensation of the Company s named executive officers.

In addition to the foregoing, the Annual Meeting will include the transaction of such other business as may properly come before the meeting, or any adjournment(s), continuation(s), rescheduling(s) or postponement(s) thereof.

Stockholders of record at the close of business on April 29, 2019 are entitled to notice of and to vote at the Annual Meeting and any adjournment(s), continuation(s), rescheduling(s) or postponement(s) thereof. A complete list of the stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder at the Company s office, 1000 Stewart Avenue, Garden City, New York 11530, for any purpose germane to the Annual Meeting, during ordinary business hours, for a period of at least 10 days prior to the Annual Meeting.

By Order of the Board of Directors,

/s/ Sara Shindel
Sara Shindel
Secretary
Garden City, New York
April 30, 2019

Table of Contents

Table of Contents

PROXY STATEMENT SUMMARY

VOTING MATTERS & BOARD RECOMMENDATIONS

Proposal No.	*Proposal*	*Board Recommends*
1	To elect a board of directors consisting of ten directors named in this proxy statement to serve until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified	**FOR** each nominee
2	To ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company for 2019	**FOR**
3	To approve, on a non-binding advisory basis, the compensation of the Company s named executive officers	**FOR**

BOARD NOMINEES AND COMMITTEE ASSIGNMENTS

There are ten director nominees for election at our 2019 Annual Meeting, to hold office until the next Annual Meeting and until their successors have been duly elected and qualified. All of the nominees are currently serving as directors of the Company and were elected to the board of directors (the Board) at the last Annual Meeting.

With respect to Messrs. Kay, Pollack and Schnabel, as previously disclosed, the Company entered into an Agreement and Plan of Merger (the Merger Agreement) by and among the Company, Taylor Parent, LLC, a Delaware limited liability company (Taylor Parent), and Taylor Holdco, LLC, a Delaware limited liability company (dba Filament Brands, and which the Company refers to as Filament) and related entities, providing for the acquisition of Filament by the Company (the Filament Acquisition). In connection with the Merger Agreement, the Company entered into a stockholders agreement (the Stockholders Agreement) by and among the Company, Taylor Parent and other related stockholders. Pursuant to the Merger Agreement and the Stockholders Agreement, the Company was required to appoint three Taylor designees to the Board. On March 1, 2018, effective upon the closing of the Filament Acquisition, the Board unanimously voted to expand the Board and to appoint Messrs. Kay, Pollack and Schnabel to fill the newly created vacancies on the Board. Messrs. Kay, Pollack and Schnabel were subsequently elected to the Board by the Company s stockholders at the 2018 Annual Meeting and are standing for re-election to the Board at the 2019 Annual Meeting.

Name	*Age*	*Main Occupation*	*Joined Board*	*Committee Assignment*
Jeffrey Siegel	76	Chairman/Executive Chairman, Lifetime Brands, Inc.	1967	SP, Exec (Chair)
Robert B. Kay	57	CEO, Lifetime Brands, Inc.	2018	
Michael J. Jeary	72	Retired advertising executive	2005	Nom/Gov, SP (Chair), Comp
John Koegel*	67	Principal, Jo-Tan, LLC	2008	

				Nom/Gov (Chair), SP, Audit, Comp, Exec
Cherrie Nanninga	70	Partner, Real Estate Solutions Group	2003	Nom/Gov, Audit, Comp (Chair)
Craig Phillips	68	Retired, Senior VP Distribution[1], Lifetime Brands, Inc.	1974	Nom/Gov
Bruce G. Pollack	60	Managing Partner, Centre Partners Management, LLC	2018	Nom/Gov, Comp
Dennis E. Reaves	76	Consultant	2013	Nom/Gov, SP
Michael J. Regan	77	Retired Certified Public Accountant	2012	Nom/Gov, Audit (Chair)
Michael Schnabel	41	Partner, Centre Partners Management, LLC	2018	Nom/Gov, SP

Abbreviations: Nom/Gov = Nominating/Governance Committee; Audit = Audit Committee; SP = Strategic Planning Committee; Comp = Compensation Committee; Exec = Executive Committee

* Independent Lead Director

[1] Mr. Phillips retired and resigned as Senior Vice-President Distribution, effective January 2, 2015.

Table of Contents

CORPORATE GOVERNANCE PRACTICES

Our corporate governance practices include the following best practices:

- a majority vote director resignation policy,
- a lead independent director on our Board,
- the annual election of directors,
- a compensation philosophy for named executive officers aligning compensation with short-term and long-term performance, including drivers of stockholder value,
- stock ownership guidelines for directors,
- stock ownership guidelines for our executive officers,
- stockholders can take action by written consent,
- anti-hedging provisions,
- stockholders have the right to remove directors with or without cause, and
- our strong corporate citizenship, including our donation practices, our partnership with organizations and our avoidance of the use of conflict minerals.

6

Table of Contents

THE BOARD OF DIRECTORS EXTENDS A CORDIAL INVITATION TO ALL STOCKHOLDERS TO ATTEND THE ANNUAL MEETING. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN AS PROMPTLY AS POSSIBLE THE ENCLOSED PROXY CARD IN THE ACCOMPANYING REPLY ENVELOPE. STOCKHOLDERS WHO WISH MAY ATTEND THE ANNUAL MEETING. STOCKHOLDERS WHO HAVE SUBMITTED COMPLETED PROXY CARDS MAY REVOKE THEIR PROXIES AND VOTE IN PERSON.

LIFETIME BRANDS, INC.

1000 Stewart Avenue

Garden City, New York 11530

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

To be held on June 27, 2019

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the Board) of Lifetime Brands, Inc., a Delaware corporation (the Company , us or we), for use at our Annual Meeting o Stockholders (the Annual Meeting) to be held on the date, at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. Stockholders of record at the close of business on April 29, 2019 are entitled to notice of and to vote at the Annual Meeting. This Proxy Statement and the accompanying form of proxy shall be mailed to stockholders on or about May 6, 2019.

THE ANNUAL MEETING

On April 29, 2019, there were 20,921,967 shares of the Company s common stock, $0.01 par value, issued and outstanding. Each share of the Company s common stock entitles the holder thereof to one vote on each matter submitted to a vote of stockholders at the Annual Meeting.

All shares of common stock represented by properly executed proxies or voting instruction forms will be voted at the Annual Meeting in accordance with the directions marked on the proxies or voting instruction forms, unless such proxies or voting instruction forms have previously been revoked. If no directions are indicated on such proxies or voting instruction forms, they will be voted FOR Proposal 1 the election of each nominee named under Election of Directors, FOR Proposal 2 the ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company for 2019 and FOR Proposal 3 the approval, on a non-binding advisory basis, of the compensation of the Company s named executive officers. If any other matters are properly presented at the Annual Meeting for action, the proxy holders will vote the proxies (which confer discretionary authority upon such holders to vote on such matters) in accordance with their best judgment, subject to compliance with Rule 14a-4(c) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Each proxy executed and returned by a stockholder may be revoked at any time before it is voted by timely submission of a written notice of revocation or by submission of a duly executed proxy bearing a later date (in either case directed to the Secretary of the Company), or, if a stockholder is present at the Annual Meeting, he or she may elect to revoke his or her proxy and vote his or her shares personally.

VOTE REQUIRED FOR APPROVAL

A majority of our outstanding shares of common stock present at the Annual Meeting, in person or by proxy, and entitled to vote shall constitute a quorum. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum. Assuming a quorum is present, (1) directors shall be elected by a plurality of the votes cast in the election of directors, (2) the affirmative vote of a majority of the shares present at the Annual Meeting, in person or by proxy, and entitled to vote is necessary to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm, and (3) the affirmative vote of a majority of the shares present at the Annual Meeting, in person or by proxy, and entitled to vote is necessary to approve, on a non-binding advisory basis, the compensation of the Company s named executive officers.

With respect to Proposal 1, you may vote for all nominees, withhold your vote as to all nominees, or vote for all nominees except those specific nominees from whom you withhold your vote. The ten nominees receiving the most FOR votes will be elected. Properly executed proxies marked WITHHOLD with respect to the election of one or more directors will not be voted with respect to the director or directors indicated. Proxies may not be voted for more than ten directors and stockholders may not cumulate votes for the election of any directors.

With respect to Proposals 2 and 3, you may vote for, against or abstain from voting on any of these proposals.

If a stockholder, present in person or by proxy, abstains on a matter, such stockholder s shares of common stock, although included in the quorum, will not be voted on such matter. Thus, an abstention from voting on either Proposal 2 or 3 has the same effect as a vote against the matter.

Brokers or other nominees who hold shares of our common stock for a beneficial owner have the discretion to vote on routine proposals when they have not received voting instructions from the beneficial owner at least ten days prior to the Annual Meeting. New York Stock Exchange rules prohibit brokers from voting on Proposals 1 and 3 without receiving instructions from the beneficial owner of the shares. Brokers may vote on Proposal 2 absent instructions from the beneficial owner.

A broker non-vote occurs when a broker or other nominee does not receive voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares. Broker non-votes will be counted for purposes of calculating whether a quorum is present at the Annual Meeting, but, in the absence of instructions, shares subject to such broker non-votes will not be counted for purposes of determining the number of votes present in person or represented by proxy and entitled to vote with respect to a particular proposal. Thus, a broker non-vote will not impact our ability to obtain a quorum.

In determining whether a proposal has received the requisite number of votes, broker non-votes will have no effect on the outcome of the vote on a proposal that requires a plurality of votes cast (Proposal 1) and will have no effect on the outcome of the vote on a proposal that requires the affirmative vote of a majority of the shares present at the Annual Meeting, in person or by proxy, and entitled to vote (Proposal 3).

HOW TO VOTE

You may vote your shares by one of the following methods:

INTERNET: To vote your shares by Internet, please visit the website listed on your proxy card or voting instruction form and follow the on-screen instructions. If you vote by Internet, you do not need to mail your proxy card or voting instruction form.

TELEPHONE: To vote your shares by telephone, please follow the instructions on your proxy card or voting instruction form. If you vote by telephone, you do not need to mail your proxy card or voting instruction form.

MAIL: To vote your shares by mail, please follow the instructions on your proxy card or voting instruction form. Please be sure to sign and date your completed proxy card or voting instruction form before mailing. If you do not sign your proxy card or voting instruction form, your votes cannot be counted. Please mail your proxy card or voting instruction form in the pre-addressed, postage-paid envelope.

IN PERSON: You may also attend the Annual Meeting and vote in person. Please bring photo identification. If you own your stock in street name and wish to vote your shares in person at the Annual Meeting, you must obtain and bring to the meeting a legal proxy from the bank or the brokerage firm holding your shares.

MAJORITY VOTING GOVERNANCE PRINCIPLE

Although our Bylaws provide for a plurality voting standard for the election of directors, our Board has adopted, as a governance principle, a majority voting standard for uncontested director elections and a plurality voting standard for contested director elections. For this purpose, a majority of votes cast means that the number of votes cast for a nominee s election exceeds the number of votes cast against that nominee s election. Accordingly, subsequent to the election of directors at the Annual Meeting, any elected director who is not elected by an affirmative vote of a majority of the votes cast at the Annual Meeting shall submit his or her resignation to our Board, to be effective upon the Board s determination of whether to accept or reject the resignation. Upon receipt by our Board of such resignation, our Board shall, in its sole judgment and discretion, within 90 days from the submission of such director s resignation as a director of the Company, determine whether to accept or reject such director s resignation. If our Board rejects such director s resignation as a director of the Company, then we shall prepare and file a Form 8-K to explain our Board s rationale for its rejection of such director s resignation.

PROXY SOLICITATION

We will bear the cost of preparing, printing, assembling and mailing the form of proxy, this Proxy Statement, the 2018 Annual Report and other materials that may be sent to stockholders in connection with this solicitation. We have retained Georgeson, a proxy solicitation firm, at an estimated cost of $8,500 plus reimbursement of expenses, to assist in soliciting proxies from brokers, banks, nominees, and institutional holders. Georgeson may solicit votes personally or by telephone, mail or electronic means. In addition, Georgeson and certain related persons will be indemnified against certain liabilities arising out of or in connection with the engagement.

Table of Contents

It is contemplated that brokerage houses will forward the proxy materials to beneficial holders at our request. In addition to the solicitation of proxies by the use of mail, our officers and other employees may solicit proxies personally, by telephone or by electronic means without being paid any additional compensation. We will reimburse such persons for their reasonable out-of-pocket expenses in accordance with the regulations of the Securities and Exchange Commission (SEC).

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our common stock as of April 15, 2019 (except where otherwise noted) based on a review of information filed with the SEC and our records with respect to (i) each person known to be the beneficial owner of more than 5% of the outstanding shares of our common stock, (ii) each of our directors, (iii) each of our named executive officers, and (iv) all our directors and executive officers as a group.

Name of beneficial owner	*Number of shares beneficially owned*	*Percent of shares beneficially owned**
DIRECTORS AND EXECUTIVE OFFICERS (1)		
Jeffrey Siegel	1,508,170 (2)	7.1%
Craig Phillips	642,039 (3)	3.1%
Daniel Siegel	434,552 (4)	2.1%
Ronald Shiftan	395,121 (5)	1.9%
Laurence Winoker	116,308 (6)	
Robert B. Kay	128,500 (7)	
Michael J. Jeary	80,600 (8)	
Cherrie Nanninga	57,100 (9)	
John Koegel	39,085	
Michael J. Regan	26,134	
Dennis E. Reaves	20,558	

Bruce G. Pollack	5,891,794 (10)	28.2%
Michael Schnabel	7,086	
All directors and executive officers as a group (13 persons)	9.347,047	44.7%

Name of beneficial owner	*Number of shares beneficially owned*	*Percent of shares beneficially owned*
Centre Partners V, L.P. 601 Lexington Avenue, 55th Floor New York, New York 10022	5,884,708 (11)	28.1%
Mill Road Capital II, L.P. 382 Greenwich Avenue, Suite One Greenwich, Connecticut 06830	1,628,203 (12)	7.8%
Dimensional Fund Advisors LP 6300 Bee Cave Road Austin, Texas 78746	1,250,094 (13)	6.0%

Notes:

* Calculated on the basis of 20,926,717 shares of common stock outstanding on April 15, 2019. Pursuant to the regulations of the SEC, shares are deemed to be beneficially owned by a person if such person directly or indirectly has or shares the power to vote or dispose of such shares. Each person is deemed to be the beneficial owner of securities which may be acquired within sixty days through the exercise of options, warrants, and other rights, if any, and such securities are deemed to be outstanding for the purpose of computing the percentage of the class beneficially owned by such person.

Less than 1%.

(1) The address of such individuals is c/o the Company, 1000 Stewart Avenue, Garden City, New York 11530.

(2) Consists of: (i) 1,037,160 shares owned directly by Mr. Jeffrey Siegel, (ii) 1,010 shares owned by Mr. Siegel s wife, and (iii) 470,000 shares issuable upon the exercise of options which are exercisable within 60 days.

(3) Consists of: (i) 637,589 shares owned directly by Mr. Phillips and (ii) 4,450 shares held in an irrevocable trust for the benefit of Mr. Phillips.

(4) Consists of: (i) 357,052 shares owned directly by Mr. Daniel Siegel, (ii) 1,500 shares owned by Mr. Siegel s wife, (iii)3,000 shares held as Uniform Transfer to Minors Act Custodian for children, (iv) 6,000 shares held in an irrevocable trust forthe benefit of Katherine and Juliana Wells, and (v) 67,000 shares issuable upon the exercise of options which areexercisable within 60 days.

(5) Consists of: (i) 223,121 shares owned directly by Mr. Shiftan and (ii) 172,000 shares issuable upon the exercise of options which are exercisable within 60 days.

(6) Consists of: (i) 60,308 shares owned directly by Mr. Winoker and (ii) 56,000 shares issuable upon the exercise of optionswhich are exercisable within 60 days.

(7) Consists of: (i) 78,500 shares owned directly by Mr. Kay, (ii) 7,272 shares issuable upon the exercise of options that are exercisable within 60 days and (iii) 42,728 shares issuable upon the exercise of options that are indirectly owned in an irrevocable family trust that are exercisable within 60 days.

(8) Consists of: (i) 55,600 shares owned directly by Mr. Jeary and (ii) 25,000 shares issuable upon the exercise of options that are exercisable within 60 days.

(9) Consists of: (i) 32,100 shares owned directly by Ms. Nanninga and (ii) 25,000 shares issuable upon the exercise of options that are exercisable within 60 days.

(10) Consists of: (i) 7,086 shares owned directly by Mr. Pollack, (ii) 5,593,116 shares held by Taylor Parent, and (iii) 291,592 shares held by Centre Capital Investors V, L.P. (Centre Investors). Centre Partners V, L.P. (Centre Partners LP) is the sole general partner of Centre Investors. CP Taylor GP, LLC (CP Taylor) has the authority to appoint the board of directors of Taylor Parent. Centre Partners, L.P. is the sole member of CP Taylor and the general partner of Centre Investors. Centre Partners V LLC (Centre Partners) is the general partner of Centre Partners LP. JRJ V LP (JRJ LP) and Harwich Road V LP (Harwich Road LP) are co-managers of Centre Partners. JRJ Inc. (JRJ) is the general partner of JRJ LP. Harwich Road Inc. (Harwich Road) is the general partner of Harwich Road LP. Bruce G. Pollack is the president of JRJ. David Jaffe is the president of Harwich Road. As such, Centre Partners LP, Centre Partners, JRJ LP, Harwich Road LP, JRJ, Harwich Road, Bruce G. Pollack and David Jaffe may be deemed to beneficially own the shares of the Company owned directly by Centre Investors and CP Taylor, Centre Partners LP, Centre Partners, JRJ LP, Harwich Road LP, JRJ, Harwich Road, Bruce G. Pollack and David Jaffe may be deemed to beneficially own the shares of the Company owned directly by Taylor Parent.

(11) Based solely on Amendment No. 2 to the Schedule 13D filed with the SEC on March 25, 2019. Consists of: 5,593,116 shares held by Taylor Parent and 291,592 shares held by Centre Investors. See footnote 10 above

for a further description of the beneficial ownership of these shares.

(12) Based solely on Amendment No. 7 to the Schedule 13D filed with the SEC on March 12, 2018. Represents shares owned by Mill Road Capital II, L.P. (MR Capital Fund). MR Capital Fund directly holds, and thus has sole voting and dispositive power over, 1,628,203 shares. Mill Road Capital II GP LLC (MR Capital GP), as sole general partner of MR Capital Fund, also has sole authority to vote (or direct the vote of), and to dispose (or direct the disposal) of, the shares held on behalf of MR Capital Fund, and each of Thomas E. Lynch and Scott P. Scharfman has shared authority to vote (or direct the vote of), and to dispose (or direct the disposal) of, these shares on behalf of MR Capital GP. Accordingly, each of MR Capital GP, MR Capital Fund, Mr. Lynch and Mr. Scharfman (collectively, the MR Reporting Persons) beneficially owns 1,628,203 shares of common stock, and the MR Reporting Persons beneficially own, in the aggregate, 1,628,203 shares of common stock.

(13) Based solely on Amendment No. 10 to the Schedule 13G filed with the SEC on February 8, 2019. Represents shares of our common stock owned of record by clients of Dimensional Fund Advisors LP. Dimensional Fund Advisors LP, in its capacity as an investment adviser, has shared voting power with respect to 1,206,688 shares and shared dispositive power with respect to 1,250,094 shares. As stated in Amendment No. 10 to the Schedule 13G filed with the SEC on February 8, 2019, Dimensional Fund Advisors LP, an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the Funds). In certain cases, subsidiaries of Dimensional Fund Advisors LP may act as an adviser or sub-adviser to certain Funds. In its role as investment advisor, sub-adviser and/or manager, Dimensional Fund Advisors LP or its subsidiaries possess voting and/or investment power over the securities of the Company that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Company held by the Funds.

Table of Contents

Proposal No. 1

ELECTION OF DIRECTORS

A board of ten directors is to be elected at the Annual Meeting to hold office until the next Annual Meeting of Stockholders, and shall hold office until their successors are duly elected and qualified or until their earlier resignation or removal. The following nominees have been recommended by the Board. Each of the nominees is one of our current directors. It is the intention of the persons named as proxies in the enclosed proxy card to vote the shares covered thereby FOR the election of the ten persons named below, unless a proxy card received by them contains contrary instructions:

Director Nominees

Jeffrey Siegel is Chairman of our Board and Executive Chairman. Mr. Siegel has held the position of Chairman of the Board since June 2001, the position of President from December 1999 to 2013 and the position of Chief Executive Officer from December 2000 to March 2018. Mr. Siegel also is a director of Grupo Vasconia, S.A.B. (Vasconia), a manufacturer and distributor of industrial aluminum products, aluminum disks, cookware and related items in Mexico, in which we have approximately a 30% equity ownership. Mr. Siegel has been a director of Vasconia since 2007. Shares of Vasconia s capital stock are traded on the Bolsa Mexicana de Valores, the Mexican Stock Exchange. Mr. Siegel has served the Company in various capacities and has been a director of the Company since 1967. Mr. Siegel is a cousin of Craig Phillips and the father of Daniel Siegel.

Robert B. Kay is our Chief Executive Officer and has served in such role since the consummation of the Filament Acquisition in March 2018. Mr. Kay previously served as the Chairman and Chief Executive Officer of Filament from 2012 to 2018. Mr. Kay began his career at Deloitte & Touche where he spent six years as a management consultant. From 1993 until 1998, he served as the Senior Vice President and Chief Financial Officer of Oxford Resources Corp., a NASDAQ listed consumer finance company. From 1999 to 2005, Mr. Kay was President and Chief Executive Officer of Key Components, Inc., a diversified industrial company. In 2006, Mr. Kay joined Kaz, Inc. as Executive Chairman until the company was sold to a publicly traded strategic buyer in 2010. Mr. Kay has been a member of the operating partner network of Centre Partners Management, LLC, which, through its affiliates, beneficially owns a majority of the capital stock of Taylor Parent, since 2005. Mr. Kay also serves on the board of Nearly Natural, LLC, a private portfolio company of Centre Partners Management, LLC.

Michael J. Jeary is a retired advertising executive. From 2009 to 2016, Mr. Jeary was President of Laughlin Constable, an advertising agency with offices in Milwaukee, Chicago and New York. Prior to that, from 2006 to July 2009, Mr. Jeary was President and CEO of Partners + Jeary, a New York-based advertising agency.

John Koegel has been our independent lead director since 2013 and a principal of Jo-Tan, LLC, a retail consulting company, since 2006. From February 2010 to October 2011, Mr. Koegel was a member of the Board and Lead Director of Game Trading Technologies, Inc., a publicly held provider of trading solutions for video game retailers, publishers, rental companies and consumers.

Cherrie Nanninga has been a partner of Real Estate Solutions Group, LLC, a privately-held real estate consulting firm, since May 2014 and, prior to that, was the Chief Operating Officer of the New York Tri-State Region of CBRE, a commercial real estate firm, since 2002. For 23 years prior thereto, Ms. Nanninga was employed by The Port Authority of New York and New Jersey where she most recently served as Deputy Chief Financial Officer and Director of Real Estate.

Craig Phillips held the position of our Senior Vice-President Distribution from July 2003 to January 2015, when he retired from the Company. Previously, Mr. Phillips held the position of our Vice-President Manufacturing from 1974 to 2003. Mr. Phillips, a cousin of Jeffrey Siegel, has been one of our directors since 1974.

Bruce G. Pollack is a Managing Partner of Centre Partners Management, LLC and has served in that role since 1991. Mr. Pollack began his career in the investment banking division of Becker Paribas Incorporated and Merrill Lynch Capital Markets. Mr. Pollack currently serves as a director of Taylor Parent, LLC, Guy & O Neill, Inc., K2 Pure Solutions, L.P., Sun Orchard, Inc., Nearly Natural, LLC, Golding Farms Food, and One World Fitness PFF, LLC, each a private portfolio company of Centre Partners Management, LLC. Mr. Pollack previously served on the Boards of a number of companies including Taylor Precision Products, Inc. (until March 2018), Captain D s, LLC, Bellisio Foods, Inc., Bumble Bee Foods, L.P., Distant Lands Trading Co., Inc., The Johnny Rockets Group, Inc., KIK Corporation Holdings, Inc., Salton, Inc., Ross Aviation, LLC and several other private companies. He is on the Board of Governors of the Weizmann Institute of Science. Mr. Pollack received a B.A. from Brandeis University.

Dennis E. Reaves was formerly Senior Vice President and General Merchandise Manager (from 1998 to 2002) of Wal-Mart Stores, Inc. Mr. Reaves serves as a consultant to the Company and since 2002, has served as a senior consultant to leading retailers, such as Big Lots, Inc. and Gap, Inc., and to multinational consumer products companies, including Jarden Corporation.

Michael J. Regan is a retired certified public accountant. From 1996 to 2002, Mr. Regan was the Vice Chairman and Chief Administrative Officer of KPMG LLP, a leading independent public accounting firm, and was the lead audit partner for many Fortune 500 companies during his 40-year tenure with KPMG (1962 to 2002). Mr. Regan currently is a director of Scientific Games Corporation, an entertainment and media company (since 2006). Mr. Regan previously served on the board of directors of DynaVox, Inc. The Board has determined that Mr. Regan is an Audit Committee Financial Expert, as defined by the SEC rules.

13

Table of Contents

Michael Schnabel is a Partner of Centre Partners Management, LLC. Mr. Schnabel joined Centre Partners Management, LLC in 2002. Prior to joining Centre, he served as Director of Finance at OmniSky Corporation after having worked in Donaldson, Lufkin & Jenrette Securities Corp. s investment banking department. Mr. Schnabel is currently a director of Taylor Parent, LLC, Covenant Care, LLC, Taylor Precision Products, Inc., Nearly Natural, LLC, Sun Orchard, Inc., Bradford Health Services, LLC, Stonewall Kitchen LLC and Guy & O Neill, Inc., each of which is either a private portfolio company of Centre Partners Management, LLC or a subsidiary of the Company. He previously served on the Boards of ActionEmco Acquisition, LLC, Bellisio Foods, Inc., Captain D s, LLC, Group Dekko Holdings, Inc. and Uno Restaurant Holdings Corp. Mr. Schnabel received a B.S. from Duke University.

Table of Contents

Key Qualifications of Director Nominees

Nominee	*Key Qualifications*
Jeffrey Siegel	Service as our Chairman and Executive Chairman; extensive knowledge of our strategy, operations and financial position and of the housewares and retail industries.
Robert B. Kay	Service as our Chief Executive Officer; distinguished career as the Chief Executive Officer in the housewares industry; experience gained in leadership positions in various industries.
Michael J. Jeary	Distinguished career as a marketing executive. Consumer products and e-commerce experience gained in leadership positions in the advertising industry; knowledge of the Company and the housewares industry through board service.
John Koegel	Notable career in retailing; strong background in merchandising and general management; consultant for private investment funds and their retail and consumer related portfolio companies; recognized expertise in business improvement, management oversight and due diligence; experience in providing strategic advice on merger and acquisition transactions; knowledge of the Company and the housewares industry through board service.
Cherrie Nanninga	Extensive experience as a financial and operations executive; experience as Deputy Chief Financial Officer of a large public sector organization and Chief Operating Officer of a large division of a multinational company; knowledge of the Company and the housewares industry through board service.
Craig Phillips	Longstanding service as our Senior Vice-President Distribution and Vice-President Manufacturing until his retirement in 2015; knowledge of our strategy, operations and financial position and of the housewares industry.
Bruce G. Pollack	Extensive investment banking and private equity experience; Board of Director leadership experience through portfolio companies of Centre Partners Management, LLC.
Dennis E. Reaves	Distinguished career in retailing; business and strategic acumen and knowledge of the retail and consumer products industries.
Michael J. Regan	Notable career with extensive public company board experience; experience as an audit partner in a large international accounting firm; financial, business and strategic acumen and knowledge of the retail and consumer products industries.
Michael Schnabel	Extensive investment banking and private equity experience; Board of Director leadership experience through portfolio companies of Centre Partners Management, LLC.

Each of the nominees have consented to being named in this proxy statement and to serve on the Board if elected. We have no reason to believe that any of the nominees will not be a candidate or will be unable to serve. However, should any of the foregoing nominees become unavailable for any reason, the persons named as proxies in the enclosed proxy card intend to vote for such other person or persons as the Board may nominate.

Our Board unanimously recommends that stockholders vote FOR

the election of each of the nominated directors.

Signed proxies that are returned will be so voted unless otherwise instructed on the proxy card.

Table of Contents

EXECUTIVE OFFICERS

The following table sets forth the names and ages of each of our executive officers as of April 30, 2019.

Name	Age	Positions/Offices with Company
Robert B. Kay	57	Chief Executive Officer
Jeffrey Siegel	76	Chairman of the Board; Executive Chairman
Daniel Siegel	49	President
Laurence Winoker	63	Senior Vice-President Finance; Treasurer; Chief Financial Officer

Ronald Shiftan served as Chief Operating Officer of the Company until his retirement in March 2019.

EXECUTIVE OFFICER BACKGROUNDS

See *Election of Directors* for biographies, names and ages of those executive officers who are directors.

All of our officers are elected annually by our Board, hold office at the pleasure of the Board and serve until their successors are duly elected and qualified. Certain directors are executives of the Company for a contractual term pursuant to employment agreements. See the *Compensation Discussion and Analysis* section for summarized terms of these agreements.

Daniel Siegel has served in various positions since joining us in 1992, including as President since 2013. Prior thereto Mr. Siegel was Executive Vice President of Sales from 2006 to 2008, Executive Vice President of Corporate Invention Strategies from 2008 to 2010 and was an Executive Vice President from 2010 to 2013. Mr. Siegel has been a director of Vasconia, since 2008, and was a director of GS Internacional S/A from 2011 to 2016. Mr. Siegel is the son of Jeffrey Siegel, Chairman of our Board and Executive Chairman.

Laurence Winoker has been our Senior Vice-President Finance, Treasurer and Chief Financial Officer since July 2007. Prior thereto, Mr. Winoker was Senior Vice-President, Controller and Treasurer of MacAndrews & Forbes Holdings Inc., a holding company with controlling interests in a diversified portfolio of public and private companies including Revlon, Inc. Mr. Winoker was Senior Vice-President, Treasurer and Controller of Revlon, Inc. from 1999 to 2003.

CORPORATE GOVERNANCE

BOARD INDEPENDENCE

Our Board has determined that our director nominees, Michael J. Jeary, John Koegel, Cherrie Nanninga, Craig Phillips, Bruce G. Pollack, Dennis E. Reaves, Michael J. Regan and Michael Schnabel are independent directors under the listing standards of The NASDAQ Stock Market LLC. Jeffrey Siegel and Robert B. Kay are our employees and are not considered to be independent directors. Ronald Shiftan was one of our employees until his retirement in March 2019 and is not considered to be an independent director. Sara Genster Robling and William U. Westerfield were independent directors until their resignations as of December 31, 2018 and September 30, 2018, respectively.

BOARD LEADERSHIP STRUCTURE

Jeffrey Siegel serves as Chairman of our Board and our Executive Chairman. Mr. Siegel has served the Company in various capacities, has been one of our directors since 1967 and is our largest individual stockholder. Mr. Siegel provides effective leadership and guidance as our Chairman of the Board in the development and pursuit of our strategic goals, recognition of business opportunities that present themselves and oversight of our risk profile.

John Koegel serves as our independent lead director. The duties of the independent lead director include:

Chairing meetings of our Board at which neither the Chairman of our Board nor the Vice Chairman of our Board is present;

- Reviewing the agenda approved by the Chairman of our Board for Board meetings and, with input from the other independent directors, suggesting to the Chairman of our Board additional agenda items for Board meetings, as well as the substance and timeliness of information to be sent to the members of our Board in connection with Board meetings and in between Board meetings;
- Reviewing with the Chairman of our Board the schedule for meetings of our Board to help assure that there is sufficient time allocated for discussion of all agenda items;
- Maintaining constant communication with the Chairman of our Board between meetings of our Board;
- Collaborating with and acting as a resource for, and counsel to, the Chairman of our Board;
- Chairing meetings of the independent directors;
- Reviewing with the Chairman of our Board the schedule for meetings of the independent directors and, with input from the other independent directors, setting the agenda for such meetings;
- Reviewing with the Chairman of our Board after meetings of the independent directors matters discussed by the independent directors at such meetings;
- Facilitating communication and serving as the principal liaison on Board-related issues between the Chairman of our Board and the independent directors. Notwithstanding the foregoing, each director is free to communicate directly with the Chairman of our Board and our other directors and senior management;
- Authorizing the retention of independent legal advisors, and other independent consultants and advisors, as necessary, to advise the independent directors on issues related to the independent directors. Such advisors and consultants shall work with and under the direction of the independent lead director and report directly to the independent directors with respect to such issues; and
- At least annually, reviewing with the other independent directors and with the Chairman of our Board the duties and responsibilities of the independent lead director.

Our Board believes that the Chairman position fosters clear accountability, effective decision making and alignment of corporate strategies and, taken together with the independent lead director role, is the appropriate leadership structure for us at this time.

Our Board is currently composed of eleven directors, eight of whom are independent of the Company. Our independent directors, and our governance practices, provide effective and independent oversight of management. The independent directors meet in periodic executive sessions, the results of which are discussed by the independent lead director with the Chief Executive Officer.

STOCK OWNERSHIP GUIDELINES

Our Board has adopted stock ownership guidelines applicable to our directors. Under these guidelines, a director must, on or prior to the deadline, own shares of our stock with a value in an amount equal to or in excess of three times the non-employee director annual cash retainer, with such value determined at the time of the receipt of the stock based on the amount paid or contributed by the director for the stock. The deadline is five years after the director s election or appointment to our Board. For the purpose of stock ownership guidelines, unexercised stock options are not considered in calculating stock ownership but restricted shares are included at the time the restriction lapses.

Our Board has also adopted stock ownership guidelines for our named executive officers, which are intended to align their long-term interests with those of our stockholders and to encourage a long-term focus in managing our Company. The requirements for named executive officers are expressed as a multiple of base salary. The Executive Chairman is required to maintain a minimum ownership of three times his base salary. All other named executive officers are required to maintain one times their base salary. The named executive officers are required to achieve the requirements within five years. Compliance with the guidelines will be determined based on the then-current base salary.

BOARD OVERSIGHT OF RISK

Our Board bears the responsibility for maintaining oversight over our exposure to risk. Our Board, itself and through its committees, meets with various members of management regularly and discusses our material risk exposures, the potential impact on us and the efforts of management it deems appropriate to deal with the risks that are identified. The Audit Committee considers our risk assessment and risk management practices including those relating to regulatory risks, financial liquidity and accounting risk exposure, reserves and our internal controls. The Nominating and Governance Committee considers the risks associated with our corporate governance principles and procedures with the guidance of corporate and outside counsel. Our Compensation Committee, in connection with the performance of its duties, considers risks associated with our compensation programs.

CODE OF ETHICS

We have adopted a Code of Ethics, as supplemented by a Code of Conduct, which applies to all of our directors, officers (including our Executive Chairman, Chief Executive Officer, President, Chief Financial Officer and Controller) and employees.

A copy of our Code of Ethics can be found on our website, www.lifetimebrands.com, in the Corporate Governance subsection under Investor Relations. We intend to post any amendments to or waivers from our Code of Ethics that apply to our executive officers on our website.

BOARD AND COMMITTEE MEETINGS; ATTENDANCE

All directors who served as directors at the time attended our 2018 Annual Meeting of Stockholders. Directors are expected, but not required, to attend the Annual Meeting of Stockholders. Our Board holds meetings on at least a quarterly basis and more often, if necessary, to fulfill its responsibilities. Our Board held six regularly scheduled meetings during the fiscal year ended December 31, 2018. During the 2018 fiscal year, each director attended a minimum of 75% of the meetings of the Board and committees on which the director served.

STOCKHOLDER COMMUNICATION WITH DIRECTORS

Stockholders who wish to communicate with members of our Board, including the independent directors, individually or as a group, may send correspondence to them care of the Secretary at our principal office, 1000 Stewart Avenue, Garden City, New York 11530. Alternatively, the directors may be contacted via e-mail at BoardofDirectors@lifetimebrands.com. All such communications will be relayed to the members of our Board generally or individually, as specified.

BOARD NOMINATION PROCESS

Our Board nominates candidates to serve as directors based on recommendations of the Board s Nominating and Governance Committee.

Our Nominating and Governance Committee s procedures for identifying and evaluating candidates include requests for candidate recommendations from within the housewares industry and from outside independent professional advisors, as the case may be. In selecting a director nominee, our Nominating and Governance Committee focuses on skills, expertise and backgrounds that would complement those of the existing members of our Board, recognizing the nature of our business.

Directors are elected annually by our stockholders and serve until the next annual meeting of the stockholders and shall hold office until their successors have been duly elected and qualified or until their earlier resignation or removal.

Our Board has adopted, as a governance principle, a majority voting standard for uncontested director elections and a plurality voting standard for contested director elections. Any director elected by a plurality vote, as provided for in our Bylaws, at an annual meeting of our stockholders in an uncontested election who does not receive a majority of the votes cast at such annual meeting shall submit his or her resignation to our Board, to be effective upon the Board s determination of whether to accept or reject the resignation. Our Board shall then, in its sole judgment and discretion, within 90 days from submission of such director s resignation, determine whether to accept or reject such director s resignation. If our Board rejects the director s resignation, then we shall prepare and file a Form 8-K to explain our

Board s rationale for rejecting such director s resignation.

NOMINATING AND GOVERNANCE COMMITTEE

Our Nominating and Governance Committee is composed of eight of our independent directors: John Koegel (Chair), Michael J. Jeary, Cherrie Nanninga, Craig Phillips, Bruce G. Pollack, Dennis E. Reaves, Michael J. Regan and Michael Schnabel. Sara Genster Robling and William U. Westerfield were members of the Nominating and Governance Committee until their resignations as of December 31, 2018 and September 30, 2018, respectively. The Nominating and Governance Committee held eight meetings in 2018.

Our Nominating and Governance Committee has the following responsibilities:

- To evaluate the qualifications of candidates for Board membership and, following consultation with the Chief Executive Officer, recommend to our Board nominees for open or newly created director positions;
- To consider nominees recommended by stockholders as long as such recommendations are received at least 120 calendar days before the stockholders meet to elect directors;

Table of Contents

- To periodically review the composition of our Board to determine whether it may be appropriate to add or subtract individuals with different backgrounds or skill sets from those already on our Board, and submit to our Board on an annual basis a report summarizing its conclusions regarding these matters;
- To provide an orientation and education program for directors;
- To develop and make recommendations to our Board regarding governance principles applicable to us;
- To periodically assess the structure and operations of the committees of our Board, develop and recommend corporate governance guidelines and review such guidelines at least annually;
- To develop and recommend procedures for the evaluation and self-evaluation of our Board and its committees and to oversee the evaluation process;
- To perform an evaluation of the committee s performance at least annually;
- To review the compensation of our Board and recommend changes to our Board; and
- To perform such other duties as our Board may assign to the committee.

Our Nominating and Governance Committee charter is available on our website, www.lifetimebrands.com, in the Corporate Governance subsection under Investor Relations.

PROCESS FOR STOCKHOLDERS TO RECOMMEND DIRECTOR NOMINEES

Our Board, through our Nominating and Governance Committee, will consider nominees recommended by stockholders as long as, consistent with our Nominating and Governance Committee charter, such recommendations are received at least 120 calendar days before the annual meeting to elect directors. A stockholder wishing to recommend a candidate must submit the following documents to the Secretary, Lifetime Brands, Inc., 1000 Stewart Avenue, Garden City, New York 11530, not less than 120 calendar days before the stockholders meet to elect directors:

- A recommendation that identifies the candidate and provides contact information for that candidate;
- The written consent of the candidate to serve as a director of the Company, if elected; and
- If the candidate is to be evaluated by the Nominating and Governance Committee, the Secretary will request from the candidate a detailed resume, an autobiographical statement explaining the candidate s interest in serving as a director of the Company, a completed statement regarding conflicts of interest, and a waiver of liability for a background check.

The Nominating and Governance Committee evaluates all candidates, regardless of who recommended the candidate, based on the same criteria.

BOARD DIVERSITY

Our diversity policy provides that, while diversity and the variety of experiences and viewpoints represented on our Board should always be considered, a director nominee should not be chosen nor excluded because of race, color, gender, national origin or sexual orientation or identity. Our Nominating and Governance Committee assesses the effectiveness of the diversity policy by periodically reviewing the skills, expertise and background of each of the existing members of our Board to determine whether it may be appropriate to add individuals with different backgrounds or skill sets from those existing members of our Board.

AUDIT COMMITTEE

Our Audit Committee is composed of three directors, each of whom is independent, as required by the Audit Committee charter, the Exchange Act, the listing requirements for The NASDAQ Stock Market LLC and the SEC rules. The current members are Michael J. Regan (Chair), Cherrie Nanninga and John Koegel. William U. Westerfield was a member of the Audit Committee until his resignation as of September 30, 2018. Our Board has determined that Michael J. Regan is an Audit Committee Financial Expert, as defined by the SEC rules. The Audit Committee held four meetings during 2018.

Our Audit Committee, among other things:

- Considers the qualifications of and appoints and oversees the activities of our independent registered public accounting firm, i.e., our independent auditor;
- Reviews with the independent auditor any audit problems or difficulties encountered in the course of audit work;
- Preapproves all audit and non-audit services provided by the independent auditor;
- Discusses with the internal auditors and the independent auditor the overall scope and plans for their respective audits, including the adequacy of staffing and budget or compensation;

Table of Contents

- Reviews our financial statements and reports and meets with management and the independent auditor to review, discuss and approve our financial statements, ensuring the completeness and clarity of the disclosures in the financial statements;
- Monitors compliance with our internal controls, policies, procedures and practices;
- Reviews management s report on its assessment of the effectiveness of internal control over financial reporting as of the end of each fiscal year and the independent auditor s report on the effectiveness of internal control over financial reporting;
- Reviews the performance of our internal audit function and approves our Internal Audit Department s annual audit plan and all major changes to the plan;
- Discusses our policies on risk assessment and risk management, our major financial risk exposures and the steps management has taken to monitor and control such exposures;
- Reviews our compliance and ethics programs, including legal and regulatory requirements, and reviews with management our periodic evaluation of the effectiveness of such programs;
- Reviews and approves related-party transactions; and
- Undertakes such other activities as our Board from time to time may delegate to it.

Our Audit Committee charter is available on our website, www.lifetimebrands.com, in the Corporate Governance subsection under Investor Relations.

STRATEGIC PLANNING COMMITTEE

Our Strategic Planning Committee is composed of five directors. The current members are Michael J. Jeary (Chair), John Koegel, Dennis E. Reaves, Michael Schnabel and Jeffrey Siegel. Sara Genster Robling was a member of the Strategic Planning Committee until her resignation as of December 31, 2018. Our Strategic Planning Committee held one meeting in 2018.

Our Strategic Planning Committee, among other things, provides assistance to our Board in fulfilling its responsibilities to our stockholders with respect to the following:

- Monitoring and informing our Board of developments, trends and new discoveries that may facilitate us in achieving our goals by improving operations, profitability and stockholder value;
- Reviewing and recommending to our Board, for its approval, long-term business objectives and plans developed by management; and
- Overseeing the development and monitoring the implementation of a strategic plan.

Our Strategic Planning Committee regularly receives updates from the Chairman of our Board/Executive Chairman and Chief Executive Officer and, from time to time, meets with our Division Presidents.

Our Strategic Planning Committee charter is available on our website, www.lifetimebrands.com, in the Corporate Governance subsection under Investor Relations.

COMPENSATION COMMITTEE

Our Compensation Committee is composed of four directors, each of whom is independent. The current members are Cherrie Nanninga (Chair), John Koegel, Michael J. Jeary and Bruce G. Pollack. Our Compensation Committee held twelve meetings during 2018.

Our Compensation Committee advises our Board with respect to our compensation practices and administers our Amended and Restated 2000 Incentive Bonus Compensation Plan and our Amended and Restated 2000 Long-Term Incentive Plan.

The principal duties and responsibilities of our Compensation Committee include:

- Reviewing and approving compensation principles that apply generally to our employees;
- Establishing and reviewing corporate goals and objectives relevant to the compensation of the Executive Chairman, Chief Executive Officer and Chief Operating Officer and evaluating their performances in light of the established goals and objectives and approving their annual compensation;
- Reviewing, based primarily on the evaluations and recommendations of the Executive Chairman, Chief Executive Officer and Chief Operating Officer, the performance of the other executive officers and all direct reports to our Executive Chairman, our Chief Executive Officer and our Chief Operating Officer;

- Overseeing our compliance with the requirements under the Nasdaq Stock Market Rules, with respect to our long-term incentive compensation plans; and
- Reviewing and discussing compensation programs that may create incentives that can affect our risk and management of that risk.

Our Compensation Committee charter is available on our website, www.lifetimebrands.com, in the Corporate Governance subsection under Investor Relations.

EXECUTIVE COMMITTEE

Our Executive Committee is composed of three directors. The current members are Jeffrey Siegel (Chair), John Koegel and Ronald Shiftan. Our Executive Committee held no meetings in 2018.

Our Executive Committee was formed in 2016, at the recommendation of the Nominating and Governance Committee, for authorizing the opening and closing of bank accounts for the Company and other matters delegated by the Board of Directors to the Executive Committee.

EXECUTIVE SESSIONS

The independent directors meet at regularly scheduled executive sessions without members of management present.

Table of Contents

DIRECTOR COMPENSATION

Fees paid to our non-employee directors are based on the following schedule:

Board of Directors Annual Retainer	
Cash	$45,000
Restricted Common Stock	$70,000
Total	$115,000
Committee Chair Annual Cash Retainer	
Chair of Audit or Compensation Committee	$20,000
Chair of Nominating/Governance or Strategic Planning Committee	$10,000
	$2,000
Committee Member Annual Cash Retainer	

	$30,000
Independent Lead Director Annual Cash Retainer	
Cash Fee for Each Meeting Attended	
Board Meeting	$2,000
Committee Meeting	$500

The following table sets forth compensation paid to our non-employee directors for 2018:

Name	Fees earned or paid in cash	Stock awards (1)(2)	All Other Compensation	Total
Michael J. Jeary	$ 83,000	$ 70,000	$	$ 153,000
John Koegel	115,500	70,000		185,500
Cherrie Nanninga	94,500	70,000		164,500
Craig Phillips	61,500	70,000		131,500
Bruce G. Pollack (3)	64,750	93,333		158,083
Dennis E. Reaves	67,500	70,000	29,500(6)	167,000
Michael J. Regan	78,000	70,000		148,000

Sara Genster Robling [(4)]	55,250		55,250
Michael Schnabel [(3)]	62,750	93,333	156,083
William U. Westerfield [(5)]	50,500		50,500

Note:

(1) Represents the aggregate grant date fair value of the awards as determined under Financial Accounting Standards Board Accounting Standards Codification Topic No. 718-20, Awards Classified as Equity, recognized by the Company for awards granted during 2018. For information, including assumptions, regarding the valuation of these awards refer to Note I to the Company s Consolidated Financial Statements for the year ended December 31, 2018 included in the Company s Annual Report on Form 10-K for the year ended December 31, 2018, and the Company s discussion of Critical Accounting Policies and Estimates under the heading Share-based compensation included on page 41 of that Form 10-K.

Table of Contents

(2) Consists of restricted stock awards valued at the closing market price of our common stock on the date of grant.
(3) Messrs. Pollack and Schnabel were appointed to the Board as of March 2, 2018, and received on March 8, 2018 restricted stock awards valued at $23,333 in conjunction with their appointments.
(4) Ms. Robling resigned from the Board as of December 31, 2018.
(5) Mr. Westerfield resigned from the Board as of September 30, 2018.
(6) Represents fees paid to Mr. Reaves for consulting services provided to the Company in 2018.

The following table sets forth the aggregate number of restricted shares of our common stock and shares of our common stock issuable upon the exercise of stock options held by each non-employee director at December 31, 2018:

Name	Restricted shares	Vested stock options	Unvested stock options
Michael J. Jeary[1]	5,364	25,000	--
John Koegel[1]	5,364	--	--
Cherrie Nanninga[1]	5,364	25,000	--
Craig Phillips[1]	5,364	--	--
Bruce G. Pollack[2]	7,086	--	--
Dennis E. Reaves[1]	5,364	--	--
Michael J. Regan[1]	5,364	--	--
Sara Genster Robling	--	--	--
Michael Schnabel[2]	7,086	--	--
William U. Westerfield	--	--	--

Note:

(1) Restricted shares were issued on June 28, 2018 and vest 100% on June 28, 2019.
(2) 1,722 restricted shares were issued on March 8, 2018 to Messrs. Pollack and Schnabel and vested 100% on March 8, 2019 and 5,364 restricted shares were issued on June 28, 2018 and vest 100% on June 28, 2019.

The table of Security Ownership of Certain Beneficial Owners and Management sets forth the beneficial ownership of each director of our common stock at April 15, 2019.

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

About Our Business

Lifetime Brands is a leading global provider of kitchenware, tableware and other products used in the home. We offer brands you trust, value without compromise and an unwavering commitment to innovation. Our products make it easier for you to prepare food, serve meals, entertain guests, and decorate your home.

We market products under well-known kitchenware brands, including Farberware, KitchenAid, Sabatier, Amco Houseworks, Chef n, Chicago Metallic, Copco, Fred & Friends, Houdini, KitchenCraft, Kamenstein, Kizmos, MasterClass, Misto, Mossy Oak, Swing-A-Way, Taylor Kitchen and Vasconia; respected tableware and giftware brands, including Mikasa, Pfaltzgraff, Fitz and Floyd, Creative Tops, Empire Silver, Gorham, International Silver, Kirk Stieff, Rabbit, Towle Silversmiths, Tuttle, Wallace, Wilton Armetale, V&A and Royal Botanic Gardens Kew; and valued home solutions brands, including BUILT NY, and Taylor. We also provide exclusive private label products to leading retailers worldwide.

Our products can be found in specialty stores, department stores, national chains, mass merchants, warehouse clubs, home centers, supermarkets and off-price retailers, as well as our branded websites.

2018 Performance Highlights

In 2018, due in part to significant macroeconomic events, including European softness primarily due to Brexit and the inconsistent implementation of a new U.S. tariff program that prevented us from passing along timely price increases, as well as disappointing sales in our North American distribution channels due to stocking levels and inventory management decisions by retail customers, the Company did not achieve its financial goals for 2018. There were, however, a number of tangible benefits of the Company s 2018 strategic goals achieved that were within the control of the Company and that served our stockholders well for fiscal 2018 and that we believe will continue to benefit stockholders in future years. These included:

- Integration of the Filament business into the Company, with expected annual cost savings in excess of $11 million.
- Wholesale restructuring of our e-commerce operations to efficiently promote products and brands.
- Meaningful cost reductions across the Company.
- Finalization of the European operations reorganization.

The Compensation Committee acknowledges the efforts of the named executive officers (NEOs) in helping the Company achieve the strategic objectives outlined above in 2018.

Our Executives

As previously announced and disclosed, as a result of the Filament Acquisition, the Company is led by Robert Kay, as Chief Executive Officer and Jeffrey Siegel, as Executive Chairman. Together our NEOs are:

Robert B. Kay, Chief Executive Officer (since March 2018) and Director
Jeffrey Siegel, Executive Chairman of our Board and Director (and Chief Executive Officer until March 2018)
Ronald Shiftan, Vice Chairman of our Board and Director (and Chief Operating Officer until March 2019)
Daniel Siegel, President
Laurence Winoker, Senior Vice-President Finance, Treasurer and Chief Financial Officer

Say On Pay

In 2011, 2014, 2017 and 2018, our Board provided stockholders with the opportunity to cast an advisory vote on executive compensation. Beginning in 2017, stockholders were provided an annual advisory vote on executive compensation. We received overwhelming support from our stockholders on the advisory vote in 2011, 2014, 2017 and 2018. At our most recent Annual Meeting of Stockholders held on June 28, 2018, approximately 90% of the votes cast, approved, on an advisory basis, the compensation of our NEOs. Although these votes were non-binding and advisory, our Compensation Committee believes that the outcome strongly affirms stockholder support of our approach to executive compensation. In view of the overwhelming support demonstrated by the stockholders, our Board and Compensation Committee are continuing their existing approach to determining executive compensation when considering executive compensation decisions. The next advisory vote on executive compensation will occur at this year s Annual Meeting. Both our Board and Compensation Committee expect to take into account the outcome of these votes when considering future executive compensation decisions.

Table of Contents

COMPENSATION PHILOSOPHY AND OBJECTIVES

Our compensation program has historically been designed to attract, reward and retain capable executives and to provide incentives for the attainment of short-term performance objectives and strategic long-term performance goals. A number of key principles guide management and our Compensation Committee in determining compensation for hiring, motivating, rewarding and retaining executive officers who create both short-term and long-term stockholder value, including:

- A significant amount of compensation should be linked to measurable success in business performance;
- Management s interests should be aligned with those of the stockholders;
- Both short-term and long-term financial and business objectives should be incentivizing; and
- Compensation should be set at levels that will be competitive with the compensation offered by those companies against whom we compete for executive talent so that we are able to attract and retain experienced executives.

In an effort to balance the need to retain talent yet motivate executives to achieve superior performance, we have adopted a compensation philosophy that contains both fixed and variable elements of compensation. Our compensation philosophy is to reward executives with compensation aligned with our short-term and long-term financial goals and the establishment of performance targets that do not promote excessive risk-taking. The elements of our total executive compensation are base salary, cash bonus and stock incentives. The compensation program was designed to create a substantial percentage of variable compensation for executives, subject to increases or decreases based on the attainment of specified achievements and targets. Consistent with our goal of linking pay and performance, the target performance-based compensation components of our Chief Executive Officer and other NEOs amounted to 48% and 51%, respectively, of their total compensation for 2018.

Our Compensation Committee uses its judgment in allocating compensation between long- and short-term incentives and cash and non-cash components. Although long-term incentives are considered of great significance in aligning performance with stockholder interests, they have traditionally been a smaller component of aggregate compensation. The Compensation Committee has also historically awarded larger long-term incentive compensation awards, as consideration for NEOs entering into a new employment agreement.

The following charts indicate the elements and mix of target compensation of our Chief Executive Officer and all other NEOs for 2018:

Chief Executive Officer - 2018 Target Compensation

All Other Named Executive Officers (Average) -

2018 Target Compensation

Table of Contents

Note:

(1) Long-term compensation includes time-based vesting restricted shares, options and performance share awards subject to performance vesting conditions.
(2) Short-term compensation includes base salary, annual bonuses and other compensation.
(3) Performance-based compensation includes performance share awards subject to performance vesting conditions and annual bonuses.

Our Compensation Committee has the authority to review and approve compensation principles and practices that apply generally to our executives and senior employees. Our Compensation Committee reviews corporate goals and objectives relevant to the compensation of our Executive Chairman, Chief Executive Officer and our Chief Operating Officer, evaluates their performance in light of the established goals and objectives and approves their annual compensation. It also reviews the corporate goals and objectives established by our Executive Chairman, Chief Executive Officer and our Chief Operating Officer relevant to the compensation of all other executive officers and all direct reports of the Executive Chairman, Chief Executive Officer and Chief Operating Officer. Based primarily on the evaluations and recommendations of our Executive Chairman, Chief Executive Officer and our Chief Operating Officer of the performance of such executive officers and direct reports in light of the established goals and objectives, our Compensation Committee approves their annual compensation. It also reviews the evaluation process and compensation structure for the other members of our senior management and provides oversight regarding management s decisions concerning the performance and compensation of such members of senior management. Our Compensation Committee takes into account and considers reports of its independent compensation consultant, Pearl Meyer & Partners, LLC (Pearl Meyer), as to the elements of compensation among our peer group of companies (discussed under Role of Compensation Consultant) and the proportion of each component relative to the total compensation.

ROLE OF COMPENSATION CONSULTANT

Our Compensation Committee has engaged Pearl Meyer as its independent outside compensation consultant to provide services related to executive and non-employee director compensation. Pearl Meyer does not provide other services unless approved by our Compensation Committee.

Pearl Meyer assists our Compensation Committee in its evaluation of our compensation philosophy and with the development of relevant metrics used by our Compensation Committee to assure internal pay equity and market parity. It also provides compensation data and information relative to our peer group.

As required under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, our Compensation Committee analyzed whether the services of Pearl Meyer could result in any conflicts of interest, giving consideration to the following factors:

Pearl Meyer does not provide any services to us other than as approved by our Compensation Committee;
The fees we paid amount to less than 1% of Pearl Meyer s total revenue for the applicable period;
The policies and procedures of our Compensation Committee were designed to ensure independence;
Pearl Meyer does not have any business or personal relationship with any of our executive officers or any member of our Compensation Committee; and
Neither Pearl Meyer nor any of its consultants who provide services to our Compensation Committee own any of our stock.

Our Compensation Committee has determined that the services of Pearl Meyer, including the individual compensation advisors employed by it, have not created any conflicts of interest. On an annual basis, our Compensation Committee will continue to monitor the independence of its compensation consultant.

PEER GROUP DEVELOPMENT

Pearl Meyer developed a peer group of companies with characteristics generally comparable to our revenue and market capitalization for review and approval by our Compensation Committee. The peer group is comprised of the following companies:

Acushnet Holdings Corp.
Callaway Golf Company
Crocs, Inc.
Delta Apparel, Inc.
Hamilton Beach Brands Holding Co.

Helen of Troy Limited
JAKKS Pacific, Inc.
Johnson Outdoors Inc.
Lands End, Inc.
Libbey Inc.
Movado Group, Inc.
Oxford Industries, Inc.
The Buckle, Inc.
Tupperware Brands Corp.
Perry Ellis International, Inc. (privately-held as of October 22, 2018)

Our Compensation Committee believes that the companies included in the peer group are the most comparable public companies; however, most of our direct competitors are either smaller, international or privately-held. Our Compensation Committee considers the competitive data compiled by Pearl Meyer as reference points, but does not benchmark to specific pay levels when establishing goals and objectives relevant to our compensation policy.

ELEMENTS OF COMPENSATION

Salary

Salary is intended to compensate our executives for performance of core job responsibilities and duties.

The base salaries of Jeffrey Siegel, Robert B. Kay and Ronald Shiftan are fixed by employment agreements that were negotiated between Messrs. Siegel, Kay and Shiftan and our Compensation Committee. The amount and components of aggregate compensation for comparable positions in our peer group of companies as well as the preferences of Messrs. Siegel, Kay and Shiftan were taken into account by our Compensation Committee in determining their compensation.

In determining Mr. Siegel s base salary, our Compensation Committee took into account Mr. Siegel s long-standing executive role with us, his extensive knowledge of and experience in the housewares industry and his role in directing our growth. Our Compensation Committee views Mr. Siegel as one of the most experienced and successful executives in the housewares industry.

In determining Mr. Kay s base salary, our Compensation Committee took into account Mr. Kay s role with Filament, as described above, and his role with us, his extensive knowledge of and experience in the housewares industry and his role in directing our growth.

In determining Mr. Shiftan s base salary, our Compensation Committee took into account his significant role in developing, structuring and implementing our growth and acquisition strategies. Our Compensation Committee also considered Mr. Shiftan s role in assisting Mr. Siegel in various aspects of our business.

The base salaries of Daniel Siegel and Laurence Winoker are also set forth in their employment agreements. The employment agreements were negotiated between Messrs. Siegel and Winoker with the Chief Executive Officer and the Chief Operating Officer, in consultation with our Compensation Committee. The salaries set forth in their employment agreements were determined by the Chief Executive Officer and Chief Operating Officer, in consultation with our Compensation Committee, taking into consideration their roles and responsibilities within the Company, as well as the amount and components of aggregate compensation for comparable positions in our peer group of companies.

Annual Bonuses

Annual bonuses are intended to compensate an executive for achievement of specific performance goals for a specified performance period. Bonuses are awarded under the Company s Amended and Restated 2000 Incentive Bonus Compensation Plan (the 2000 Bonus Plan) and each executive s employment agreement and are based on achievement of Adjusted IBIT and individual performance goals.

Our Compensation Committee has determined that Adjusted IBIT best measures the efforts and productivity of Messrs. Kay, Jeffrey Siegel, Shiftan, Daniel Siegel and Winoker. The term Adjusted IBIT, as it applies to any particular year, means that amount for such year equal to the Company s income before income taxes and equity in earnings, as reported in our Form 10-K, subject to such adjustments as are set forth in the Adjusted IBIT Performance Bonus Table for such year.

Table of Contents

In determining to use Adjusted IBIT as the performance measure, our Compensation Committee was also guided by the extent to which this measure is within the control of the respective named executive officer. For the purpose of establishing the target Adjusted IBIT for the NEOs entitled to cash bonus incentive awards in a given year, our Compensation Committee considered data provided by Pearl Meyer as to practices among our peer group of companies. Our Compensation Committee also relied on our annual budget, which was approved by our Board, in establishing the thresholds, targets and maximum bonuses tied to achievement of these targets for the NEOs.

In addition to Adjusted IBIT, individual goals are established for Messrs. Jeffrey Siegel, Kay and Shiftan by our Compensation Committee. With respect to Messrs. Winoker and Daniel Siegel, individual goals based on financial and performance objectives are established by the Chief Executive Officer in consultation with our Compensation Committee. The weighting for the Adjusted IBIT and individual goal components of annual bonuses is shown in the table below. The individual goals established for each of the NEOs for 2018 are discussed below. At the end of the 2018 fiscal year, Messrs. Kay and Jeffrey Siegel prepared written materials for our Compensation Committee with their assessments of whether their respective individual goals were achieved during the year. Our Compensation Committee reviewed these materials and assessed independently the extent to which their individual goals were achieved.

Executive	Adjusted IBIT Weighting	Individual Bonus Weighting
Robert Kay	78%	22%
Jeffrey Siegel	80%	20%
Ronald Shiftan	86%	14%
Daniel Siegel	67%	33%
Laurence Winoker	60%	40%

As set forth in detail in the table below, we achieved an Adjusted IBIT of $11.464 million for the 2018 fiscal year, which was below the threshold performance level of the plan of $14.239 million. Adjusted IBIT for 2018 is equal to the Company s income before income taxes and equity in earnings, as reported in our Form 10-K, adjusted to include equity in earnings of investments before local and U.S. taxes and adjusted to exclude acquisition costs, restructuring expenses, loss on retirement of debt and acquisition related bonuses. Adjusted IBIT is a non-GAAP financial measure. A reconciliation of the Company s income before income taxes and equity in earnings (the most directly comparable GAAP measure) to Adjusted IBIT for 2018 is included in Appendix A.

2018 Annual Bonus Metric and Achievement

Financial Metric	Threshold Performance Level	Target Performance Level	150% Performance Level	200% Performance Level	Actual Performance Achieved	*% of Target*
Adjusted IBIT	$14,238,500	$28,477,000	$42,715,500	$56,954,000	$11,464,000	0

As further described below, although no portion of annual bonuses based on Adjusted IBIT was payable to the NEOs for 2018, Messrs. Kay, Jeffrey Siegel, Daniel Siegel, and Winoker received annual bonuses on account of their achievement of at least 50% of their individual performance goals. Our Compensation Committee determined that in order to further incentivize retention, such bonuses would be paid in the form of restricted stock subject to a one year vesting period, rather than in the form of cash.

Table of Contents

Robert Kay

Mr. Kay s employment agreement entitles him to receive (a) an Annual Adjusted IBIT Performance Bonus at a target of 87.5% of base salary based on an Adjusted IBIT Performance Table prepared by our Compensation Committee and the annual budget reviewed and approved by our Board and (b) an Annual Individual Goal Bonus based on certain measureable objectives (discussed below for 2018). Pursuant to the employment agreement, the threshold Adjusted IBIT for any year would be 50% of the target Adjusted IBIT for such year which, if achieved, would entitle Mr. Kay to receive 50% of the target bonus for such year consistent with the Adjusted IBIT Performance Bonus Table for such year. Similarly, the maximum Adjusted IBIT for such year would be 200% of the target Adjusted IBIT for such year which, if achieved, would entitle Mr. Kay to receive 200% of the Adjusted IBIT target bonus for such year consistent with the Adjusted IBIT Performance Bonus Table for such year. Mr. Kay will be entitled to receive the sliding scale percentages of the Adjusted IBIT Target Bonus set forth in the Adjusted IBIT Performance Bonus Table based upon Adjusted IBIT being more than the threshold Adjusted IBIT but less than the target Adjusted IBIT, or more than the target Adjusted IBIT but less than the maximum Adjusted IBIT; provided that, the Annual Adjusted IBIT Performance Bonus for any year will be zero if the Adjusted IBIT achieved by the Company for such year is less than the threshold Adjusted IBIT for such year, and in no event will an Annual Adjusted IBIT Performance Bonus for any year be more than 200% of the Adjusted IBIT target bonus for such year even if the Adjusted IBIT achieved by the Company for such year exceeds the maximum Adjusted IBIT for such year.

Mr. Kay s employment agreement entitles him to receive an Annual Individual Goal Bonus up to a maximum of 25% of his base salary for each year based on meeting individual measurable objectives set by our Compensation Committee. If Mr. Kay satisfies at least 50% of such objectives, he is entitled to an Annual Individual Goal Bonus equal to at least 50% of the maximum Individual Goal Bonus. If Mr. Kay meets less than 50% of such objectives, he is not entitled to receive any Annual Individual Goal Bonus.

Mr. Kay s individual goals for 2018 included: integrating Filament s operations with those of the Company, achievement of certain synergies related to the sales of Filament and the Company, improving the performance of certain aspects of our European operations, and reducing the Company s leverage. Our Compensation Committee evaluated Mr. Kay s achievement of his individual performance objectives and determined that at least 50% of the objectives were met.

For 2018, Mr. Kay was awarded 20,000 shares of restricted stock, subject to an additional one year vesting period, based upon his attainment of at least 50% of his individual performance objectives. In determining the number of shares to award Mr. Kay, our Compensation Committee considered the extent to which he achieved each of his individual goals, his extraordinary efforts in integrating Filament with the Company, and the additional vesting conditions imposed on the restricted stock. For the year ended December 31, 2018, Adjusted IBIT amounted to $11.464 million, which is less than the threshold Adjusted IBIT, resulting in no Adjusted IBIT bonus. The details of the results of Mr. Kay s full bonus payment opportunity (including his individual target bonus opportunity) are provided in the table below.

	Bonus Opportunity		
	Threshold	*Target*	*Maximum*

				Actual Bonus Paid[1]	*% of Target*
TOTAL	$450,000	$900,000	$1,600,000	$181,200	20%
Individual	100,000	200,000	200,000	181,200	91%
Adjusted IBIT	350,000	700,000	1,400,000	-	0%

(1) Based on the closing price per share on the date of grant of the restricted stock award for 20,000 shares.

Jeffrey Siegel

Jeffrey Siegel s employment agreement, as amended, entitles him to receive (a) an Annual Adjusted IBIT Performance Bonus at a target of 100% of base salary based on an Adjusted IBIT Performance Bonus Table prepared by our Compensation Committee and the annual budget reviewed and approved by our Board and (b) an Annual Individual Goal Bonus based on certain measurable objectives (discussed below for 2018). Pursuant to Mr. Siegel s employment agreement, as amended, the threshold Adjusted IBIT for any such year would be 50% of the target Adjusted IBIT for such year which, if achieved, would entitle Mr. Siegel to receive 50% of the target bonus for such year consistent with the Adjusted IBIT Performance Bonus Table for such year. Similarly, the maximum Adjusted IBIT for such year would be 200% of the target Adjusted IBIT for such year which, if achieved, would entitle Mr. Siegel to receive 200% of the target bonus for such year consistent with the Adjusted IBIT Performance Bonus Table for such year. The employment agreement, as amended, also provides that the Adjusted IBIT Performance Bonus for any such year would be zero if the Adjusted IBIT we achieved for such year was less than the threshold Adjusted IBIT for such year, and in no event will an Adjusted IBIT Performance Bonus for any such year be more than the maximum target bonus for such year even if the Adjusted IBIT we achieved for such year exceeds the maximum Adjusted IBIT for such year.

Table of Contents

Mr. Siegel s employment agreement, as amended, further entitles him to receive an Annual Individual Goal Bonus up to a maximum of 25% of his base salary for such year based on meeting individual measurable performance objectives set by our Compensation Committee in consultation with Mr. Siegel. If Mr. Siegel satisfies at least 50% of such objectives, he is entitled to an Annual Individual Goal Bonus equal to 12.5% of his base salary for such year. If Mr. Siegel meets less than 50% of such objectives, he is not entitled to receive any Annual Individual Goal Bonus for such year.

Mr. Siegel s individual goals for 2018 included: integrating Filament s operations with those of the Company, achievement of certain synergies related to the sales of Filament and the Company, improving the performance of certain aspects of our European operations, and reducing the Company s leverage. Our Compensation Committee evaluated Mr. Siegel s achievement of his individual performance objectives and determined that at least 50% of the objectives were met.

For 2018, Mr. Siegel was awarded 20,000 shares of restricted stock, subject to an additional one year vesting period, based upon his attainment of at least 50% of his individual performance objectives. In determining the number of shares to award Mr. Siegel, our Compensation Committee considered the extent to which he achieved each of his individual goals, his extraordinary efforts in integrating Filament with the Company, and the additional vesting conditions imposed on the restricted stock. For the year ended December 31, 2018, Adjusted IBIT amounted to $11.464 million, which is less than the threshold Adjusted IBIT, resulting in no Adjusted IBIT bonus. The details of the results of Mr. Siegel s full bonus payment opportunity (including individual target bonus opportunity) are provided in the table below.

	Bonus Opportunity				
	Threshold	*Target*	*Maximum*	*Actual Bonus Paid*[(1)]	*% of Target*
TOTAL	$618,750	$1,237,500	$2,227,500	$181,200	15%
Individual	123,750	247,500	247,500	181,200	73%
Adjusted IBIT	495,000	990,000	1,980,000	-	0%

(1) Based on the closing price per share on the date of grant of the restricted stock award for 20,000 shares.

Ronald Shiftan

Mr. Shiftan s third amended and restated employment agreement entitles Mr. Shiftan to receive (a) an Annual Adjusted IBIT Performance Bonus at a target of 90% of base salary based on an Adjusted IBIT Performance Bonus Table prepared by our Compensation Committee and the annual budget reviewed and approved by our Board and (b) an Annual Individual Goal Bonus based on certain measurable objectives (discussed below for 2018). Pursuant to Mr. Shiftan s third amended and restated employment agreement, the threshold Adjusted IBIT for any such year would be 50% of the target Adjusted IBIT for such year which, if achieved, would entitle Mr. Shiftan to receive 50% of the target bonus for such year consistent with the Adjusted IBIT Performance Bonus Table for such year. Similarly, the maximum Adjusted IBIT for such year would be 200% of the target Adjusted IBIT for such year which, if achieved, would entitle Mr. Shiftan to receive 200% of the base salary payable for such year consistent with the Adjusted IBIT Performance Bonus Table for such year. Mr. Shiftan s third amended and restated employment agreement also provides that the Adjusted IBIT Performance Bonus for any such year would be zero if the Adjusted IBIT we achieved for such year was less than the threshold Adjusted IBIT for such year, and in no event will an Adjusted IBIT Performance Bonus for any such year be more than the maximum target bonus for such year even if the Adjusted IBIT we achieved for such year exceeds the maximum Adjusted IBIT for such year.

Mr. Shiftan s third amended and restated employment agreement further entitles him to receive an Annual Individual Goal Bonus up to a maximum of 15% of his base salary for such year based on meeting individual measurable objectives set by the Chief Executive Officer and monitored by our Compensation Committee. If Mr. Shiftan satisfies at least 50% of such objectives, he is entitled to an Annual Individual Goal Bonus equal to at least 7.5% of his base salary for such year. If Mr. Shiftan meets less than 50% of such objectives, he is not entitled to receive any Annual Individual Goal Bonus for such year.

Our Compensation Committee evaluated Mr. Shiftan s achievement of his individual performance objectives and determined that because Mr. Shiftan s focus in 2018 was on transitioning his duties and responsibilities in light of his pending retirement, less than 50% of the objectives were met, resulting in no 2018 bonus. For the year ended December 31, 2018, Adjusted IBIT amounted to $11.464 million, which is less than the threshold Adjusted IBIT, resulting in no Adjusted IBIT bonus. The details of the results of Mr. Shiftan s full bonus payment opportunity (including individual target bonus opportunity) are provided in the table below.

Table of Contents

	Bonus Opportunity				
	Threshold	*Target*	*Maximum*	*Actual Bonus Paid*	*% of Target*
TOTAL	$341,250	$682,500	$1,397,500	$-	0%
Individual	48,750	97,500	97,500	-	0%
Adjusted IBIT	292,500	585,000	1,300,000	-	0%

Daniel Siegel

Mr. Siegel s employment agreement entitles Mr. Siegel to receive (a) an Annual Adjusted IBIT Performance Bonus at a target of 75% of his base salary based on an Adjusted IBIT Performance Bonus Table prepared by the Chief Executive Officer and the annual budget reviewed and approved by our Board and (b) an Annual Individual Goal Bonus based on certain measurable objectives (discussed below for 2018). Pursuant to the employment agreement, the threshold Adjusted IBIT would be 50% of the target Adjusted IBIT for such year which, if achieved, would entitle Mr. Siegel to receive 50% of the target bonus for such year consistent with the Adjusted IBIT Performance Bonus Table for such year. Similarly, the maximum Adjusted IBIT for such year would be 150% of the target Adjusted IBIT for such year which, if achieved, would entitle Mr. Siegel to receive 150% of the target bonus for such year, consistent with the Adjusted IBIT Performance Table for such year. The employment agreement, as amended, also provides that Mr. Siegel is entitled to receive sliding scale percentages of the target bonus set forth in the Adjusted IBIT Performance Table based upon Adjusted IBIT being more than the threshold Adjusted IBIT but less than the target Adjusted IBIT, or more than the target Adjusted IBIT but less than the maximum Adjusted IBIT. The Adjusted IBIT Performance Bonus for any such year will be zero if the Adjusted IBIT achieved by the Company for such year is less than the threshold Adjusted IBIT for such year, and in no event will an Adjusted IBIT Performance Bonus for any such year be more than the maximum target bonus for such year even if the Adjusted IBIT achieved by the Company for such year exceeds the maximum Adjusted IBIT for such year.

Mr. Siegel is also entitled to receive an Annual Individual Goal Bonus up to a maximum of 37.5% of his base salary for such year based on meeting individual measurable objectives set by the Chief Executive Officer in consultation with Mr. Siegel, as determined by the Chief Executive Officer in his sole discretion; provided, however, if, in the sole discretion of the Chief Executive Officer, (y) Mr. Siegel meets at least 50% of such objectives, he shall be entitled to an Annual Individual Goal Bonus equal to not less than 18.75% of his base salary for such year and (z) Mr. Siegel meets less than 50% of such objectives, he shall not be entitled to receive any Annual Individual Goal Bonus for such year.

Mr. Siegel s individual goals for 2018 included: improving our sales organization, improving the alignment at retailers between divisions and sales, developing innovation in all areas of the Company, fulfilling his responsibility for our trade shows and showrooms, including integration of Filament in certain trade shows while achieving cost savings, keeping the Board updated with respect to market research data analytics, enhancing brand development and coordination, and coordinating, developing, and delivering strategic plan presentations to our Board. The amount payable in connection with individual goals was subject to adjustment if our net income for the year was less than $10 million. Our Chief Executive Officer, in consultation with our Compensation Committee, evaluated Mr. Siegel s achievement of his individual performance objectives and determined that at least 50% of the objectives were met.

For 2018, Mr. Siegel was awarded 14,000 shares of restricted stock, subject to an additional one year vesting period, based upon his attainment of at least 50% of his individual performance objectives. In determining the number of shares to award Mr. Siegel, our Compensation Committee considered the extent to which he achieved each of his individual goals, his extraordinary efforts in integrating Filament with the Company, and the additional vesting conditions imposed on the restricted stock. For the year ended December 31, 2018, Adjusted IBIT amounted to $11.464 million, which is less than the threshold Adjusted IBIT, resulting in no Adjusted IBIT bonus. The details of the results of Mr. Siegel s full bonus payment opportunity (including individual target bonus opportunity) are provided in the table below.

		Bonus Opportunity			
	Threshold	*Target*	*Maximum*	*Actual Bonus Paid* [1]	*% of Target*
TOTAL	$288,281	$576,563	$768,750	$126,840	22%
Individual	96,094	192,188	192,188	126,840	66%
Adjusted IBIT	192,188	384,375	576,563	-	0%

[1] Based on the closing price per share on the date of grant of the restricted stock award for 14,000 shares.

31

Table of Contents

Laurence Winoker

Mr. Winoker s amended and restated employment agreement entitles Mr. Winoker to receive (a) an Annual Adjusted IBIT Performance Bonus at a target of 37.5% of his base salary based on an Adjusted IBIT Performance Bonus Table prepared by the Chief Executive Officer and the Chief Operating Officer and the annual budget reviewed and approved by our Board and (b) an Annual Individual Goal Bonus based on certain measurable objectives (discussed below for 2018). Pursuant to the amended and restated employment agreement, the threshold Adjusted IBIT for any such year would be 50% of the target Adjusted IBIT for such year which, if achieved, would entitle Mr. Winoker to receive 50% of the target bonus for such year consistent with the Adjusted IBIT Performance Bonus Table for such year. Similarly, the maximum Adjusted IBIT for such year would be 150% of the target Adjusted IBIT for such year which, if achieved, would entitle Mr. Winoker to receive 200% of the target bonus for such year consistent with the Adjusted IBIT Performance Bonus Table for such year. The amended and restated employment agreement also provides that Mr. Winoker is entitled to receive sliding scale percentages of the target bonus set forth in the Adjusted IBIT Performance Table based upon Adjusted IBIT being more than the threshold Adjusted IBIT but less than the target Adjusted IBIT, or more than the target Adjusted IBIT but less than the maximum Adjusted IBIT. The amended and restated employment agreement also provides that the Adjusted IBIT Performance Bonus for any such year would be zero if the Adjusted IBIT we achieved for such year was less than the threshold Adjusted IBIT for such year, and in no event will an Adjusted IBIT Performance Bonus for any such year be more than the maximum target bonus for such year even if the Adjusted IBIT achieved by the Company for such year exceeds the maximum Adjusted IBIT for such year.

Mr. Winoker s amended and restated employment agreement further entitles him to receive an Annual Individual Goal Bonus up to a maximum of 25% of his base salary for such year based on meeting individual measurable objectives set by the Chief Executive Officer and Chief Operating Officer. If Mr. Winoker satisfies at least 50% of such objectives, he is entitled to an Annual Individual Goal Bonus equal to at least 12.5% of his base salary for such year. If Mr. Winoker meets less than 50% of such objectives, he is not entitled to receive any Annual Individual Goal Bonus for such year.

Mr. Winoker s individual goals for 2018 included: successfully integrating Filament s accounting and finance functions into those of the Company; improving the financial planning and analysis function, and performing certain responsibilities related to investor relations. The amount payable in connection with individual goals was subject to adjustment if our net income for the year is less than $10 million. Our Chief Executive Officer, in consultation with our Compensation Committee, evaluated Mr. Winoker s achievement of his individual performance objectives and determined that at least 50% of the objectives were met.

For 2018, Mr. Winoker was awarded 8,000 shares of restricted stock, subject to an additional one year vesting period, based upon his attainment of at least 50% of his individual performance objectives. In determining the number of shares to award Mr. Winoker, our Compensation Committee considered the extent to which he achieved each of his individual goals, his extraordinary efforts in integrating Filament with the Company, and the additional vesting conditions imposed on the restricted stock. For the year ended December 31, 2018, Adjusted IBIT amounted to $11.464 million, which is less than the threshold Adjusted IBIT, resulting in no Adjusted IBIT bonus. The details of the results of Mr. Winoker s full bonus payment opportunity (including individual target bonus opportunity) are provided in the table below.

	Bonus Opportunity		
	Threshold	*Target*	*Maximum*

				Actual Bonus Paid[1]	*% of Target*
TOTAL	$132,813	$265,625	$425,000	$72,840	27%
Individual	53,125	106,250	106,250	72,840	69%
Adjusted IBIT	79,688	159,375	318,750	-	0%

(1) Based on the closing price per share on the date of grant of the restricted stock award for 8,000 shares.

Equity Compensation

Equity compensation is intended to incentivize and to promote alignment between our employees and our stockholders. Additionally, stock options and restricted stock are also aimed at retention as the vesting period or the period during which the restrictions lapse generally ranges from one to four years.

Our Compensation Committee granted stock options, performance shares and/or restricted stock to Jeffrey Siegel, Robert Kay, Ronald Shiftan, Daniel Siegel and Laurence Winoker in connection with their entering into their respective employment agreements. In addition, each NEO generally receives an equity compensation grant once a year in connection with annual performance reviews based on an assessment of such person s individual performance and, where appropriate, the performance of such person s business unit (division), as well as our overall performance and the dilutive effect of the equity awards.

Table of Contents

Our annual equity compensation program consists of a mix of 50% time-based restricted stock awards and 50% performance-based stock awards. The performance shares provide an opportunity for shares to be earned at the end of a three-year performance period if pre-established financial goals are met. These goals have been tailored to be difficult to achieve, so as to incentivize our NEOs to maximize their performance. Net sales and adjusted EBITDA were established as performance metrics for our performance share awards granted in 2016, 2017 and 2018, each with a three-year performance period. Following the Filament Acquisition, our Compensation Committee increased the net sales and adjusted EBITDA performance targets applicable to our performance share awards granted in 2016 and 2017 to account for the addition of Filament. The final number of shares earned pursuant to a performance share award is dependent on the cumulative net sales and cumulative adjusted EBITDA results over the three-year performance period with threshold, target and maximum awards equal to 75%, 100% and 150%, respectively, of the target number of performance shares awarded on the grant date. Consolidated Adjusted EBITDA is a non-GAAP financial measure. A reconciliation of Consolidated Adjusted EBITDA to the most directly comparable GAAP measure for 2018 is included in Appendix A.

Our performance for the performance-based stock awards granted in 2016 for the three-year performance period that ended on December 31, 2018, resulted in the following percentage payouts:

Performance Metrics	*Weight*	*Target (in thousands)*	*Actual (in thousands)*	*% Target*
Net Sales	50%	$1,997,200	$1,876,637	94.0%
Adjusted EBITDA	50%	$171,000	$140,341	82.1%

Other Compensation

We maintain a defined contribution 401(k) plan for all employees, including the NEOs. We also offer perquisites that we believe are customary and reasonable, such as Company-paid automobile expenses, and with respect to Messrs. Jeffrey Siegel, Kay and Shiftan, reimbursement or payment of certain insurance and professional expenses.

ACCOUNTING AND TAX CONSIDERATIONS

Section 162(m) of the Internal Revenue Code (the Code) generally disallows a tax deduction to public companies for compensation in excess of $1 million paid to any of the company s chief executive officer and certain other executive officers. Prior to the effectiveness of the 2017 Tax Cuts and Jobs Act, performance-based compensation satisfying certain requirements was not subject to this deduction limitation. Effective January 1, 2018, the performance-based compensation exception is not available to public companies, except for certain limited grandfathered arrangements. We periodically review potential consequences of Section 162(m).

POLICY REGARDING RESTATEMENTS

We do not have a formal policy regarding adjustment or recovery of awards or payments if the relevant performance measures upon which they are based are restated or otherwise adjusted in a manner that would reduce the size of the award or payment. Under those circumstances, our Board or our Compensation Committee would evaluate whether adjustments or recoveries of awards would be appropriate based upon the facts and circumstances surrounding the restatement. We will comply with any future regulatory requirements as mandated under the Dodd-Frank Act as they become effective.

33

Table of Contents

COMPENSATION COMMITTEE REPORT

Our Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Our Compensation Committee also annually evaluates the levels of risks arising from our compensation policies and practices, and reviews suggested practices to mitigate such risks. The risks considered by our Compensation Committee included the following:

- Strategic risk, which involves the alignment of performance metrics of executives with the objective of long-term value creation for stockholders;
- Governance risk, focused on the independence and level of expertise of Compensation Committee members as well as the use of a compensation consultant; and
- Pay-mix risk, which includes the balancing of the fixed and variable performance components of executive compensation.

We concluded that the risks arising from our compensation policies and practices are not reasonably likely to have a material adverse effect on us. Based on this review, discussion and evaluation of risks, our Compensation Committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in our Proxy Statement.

The Compensation Committee
Cherrie Nanninga Chair
John Koegel
Michael J. Jeary
Bruce G. Pollack

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation Committee during the 2018 fiscal year were Michael J. Jeary, John Koegel, Bruce G. Pollack and Cherrie Nanninga. During the 2018 fiscal year, no member of our Compensation Committee was an officer, former officer or employee of the Company or had any direct or indirect material interest in a transaction with us or in a business relationship with the Company that would require disclosure under the applicable rules of the SEC. In addition, no interlocking relationship existed between any member of our Compensation Committee or one of our executive officers, on the one hand, and any member of our Compensation Committee (or committee performing equivalent functions, or the full board of directors) or an executive officer of any other entity, on the other hand.

Table of Contents

SUMMARY COMPENSATION TABLE

The following table sets forth information concerning the compensation of our NEOs.

Name, Principal Position	Year	Salary	Non-Equity Incentive Plan Compensation	Stock Awards (1)(2)	Option Awards (1)	All Other Compensation (5)	Total
Robert Kay (3)							
Chief Executive Officer	2018	$ 649,231	$	$ 1,948,800	$ 679,650	$ 15,280	$ 3,292,961
	2018	990,000		156,600		124,005	1,270,413
Jeffrey Siegel (4)	2017	990,000	899,406	387,400	454,500	123,675	2,854,981
Chairman of our Board, Executive Chairman							
	2016	1,000,000	1,412,316	188,280		108,136	2,708,732
Ronald Shiftan	2018	650,000				91,500	741,500
	2017	650,000	482,717	221,400		91,220	1,445,337
Vice Chairman of our Board, Chief Operating Officer	2016	650,000	798,556	188,280		101,961	1,738,797
		511,779		117,450		18,000	647,229

Daniel Siegel	2018					
	2017	475,000	412,712	221,400	18,025	1,127,137
President		475,000	592,200	188,280	18,000	1,273,480
	2016					
	2018	425,000		117,450	12,000	554,450
Laurence Winoker	2017	425,000	211,197	147,600	12,083	795,880
Senior Vice President - Finance, Treasurer, Chief Financial Officer	2016	425,000	291,494	125,520	11,636	853,650

Notes:

(1) Represents the aggregate grant date fair value of the awards as determined under Financial Accounting Standards Board Accounting Standards Codification Topic No. 718-20, Awards Classified as Equity, which was recognized by the Company for awards granted during 2018, 2017 and 2016. For information, including assumptions, regarding the valuation of these awards refer to Note I to the Company s Consolidated Financial Statements for the year ended December 31, 2018 included in the Company s Annual Report on Form 10-K for the year ended December 31, 2018, and the Company s discussion of Critical Accounting Policies and Estimates under the heading Share-based compensation included on page 41 of that Form 10-K.

(2) The grant date fair value of the performance share awards included in this column is the target payout based on the probable outcome of the performance-based conditions determined as of the grant date. The maximum potential payout of the stock awards would be 150% of the target shares awarded on the grant date. The maximum value of the performance share awards for 2018 determined as of the grant date would be as follows for each respective executive officer: Mr. Kay: $1,774,500, Jeffrey Siegel: $117,450, Daniel Siegel: $88,088, and Mr. Winoker: $88,088.

(3) In March 2018, upon the consummation of the Filament Acquisition, Mr. Kay became the Company s Chief Executive Officer. Options awarded and restricted shares and performance share awards granted to Mr. Kay include options, restricted shares and performance share awards granted pursuant to Mr. Kay s employment agreement.

(4) Until March 2018, Mr. Siegel held the position of the Company s Chief Executive Officer. Upon the consummation of the Filament Acquisition, Mr. Siegel became the Executive Chairman of the Company. Options awarded and restricted shares granted in 2017 include options and restricted shares granted pursuant to Mr. Siegel s amended and restated employment agreement.

Table of Contents

(5) All Other Compensation includes the following:

Name	Year	Insurance Reimbursement	Automobile Related	Professional fees	Misc	Total All Other Compensation
Robert Kay	2018	$ -	$15,280	$ -	$ -	$ 15,280
Jeffrey Siegel	2018	100,000	24,005	-	-	124,005
	2017	100,000	23,650	-	25	123,675
	2016	75,000	25,555	7,581	-	108,136
Ronald Shiftan	2018	68,359	16,500	6,641	-	91,500
	2017	66,270	18,000	6,925	25	91,220
	2016	75,000	25,156	1,805	-	101,961
Daniel Siegel	2018	-	18,000	-	-	18,000
	2017	-	18,000	-	25	18,025
	2016	-	18,000	-	-	18,000
Laurence Winoker	2018	-	12,000	-	-	12,000
	2017	-	12,033	-	50	12,083
	2016	-	11,636	-	-	11,636

EMPLOYMENT AGREEMENTS OF THE NEOs

Robert B. Kay

During 2018, Robert B. Kay was employed by us as the Chief Executive Officer of the Company pursuant to an employment agreement with the Company, dated as of December 22, 2017, which became effective upon the closing of the Filament Acquisition on March 2, 2018 (the Kay Employment Agreement).

The Kay Employment Agreement provides for a term through the third anniversary of the consummation of the Filament Acquisition, March 2, 2021, with automatic renewals for additional one-year periods unless his employment is terminated by either us or Mr. Kay, an annual base salary of $800,000 and an automobile allowance of up to $1,500 per month. The Kay Employment Agreement further provides for the reimbursement on a one-time basis of up to $10,000 for reasonable legal fees incurred by Mr. Kay in connection with the preparation, negotiation and execution of the Kay Employment Agreement and ancillary documents and reimbursement to Mr. Kay of up to a total of $35,000 during any calendar year for legal, financial and other professional services.

Pursuant to the Kay Employment Agreement, we granted Mr. Kay, 50,000 restricted shares and an option to purchase 150,000 shares of the Company s common stock. The restrictions on these 50,000 restricted shares terminate in equal installments on each of the first, second, and third anniversaries of the consummation of the Filament Acquisition. The option shall vest as to 50,000 shares on each of the first, second, and third anniversaries of the consummation of the Filament Acquisition. Pursuant to the Kay Employment Agreement, we also granted Mr. Kay performance-based deferred stock units in a target amount of 50,000 shares, subject to the terms and conditions established by the Compensation Committee of our Board. The performance goals and other vesting terms applicable to these performance-based deferred stock units are consistent with those granted to other NEOs in respect of the performance period commencing in 2018.

The Kay Employment Agreement also entitles Mr. Kay to receive an Annual Adjusted IBIT Performance Bonus and an Annual Individual Goal Bonus based on certain measurable objectives as described under *Annual Bonuses.*

The Kay Employment Agreement further provides for payments to Mr. Kay upon the termination of his employment as described under *Potential Payments Upon Termination or Change of Control.*

The complete text of the Kay Employment Agreement was filed with the SEC as an exhibit to a Form 8-K filed on December 29, 2017. The Kay Employment Agreement is incorporated herein by reference and the foregoing description of such agreement is qualified in its entirety by the text of such agreement.

Table of Contents

Jeffrey Siegel

During 2018, Jeffrey Siegel was employed by us as Executive Chairman and a director pursuant to an employment agreement dated as of March 12, 2014, as amended and restated as of January 12, 2017 and as amended as of November 8, 2017 (the J. Siegel Amended and Restated Employment Agreement). Prior to the consummation of the Filament Acquisition on March 2, 2018, Mr. Siegel was the Chief Executive Officer of the Company.

The J. Siegel Amended and Restated Employment Agreement, which was effective as of January 1, 2017, extended the term of Mr. Siegel s employment agreement through December 31, 2019, with automatic renewals for two additional one-year periods unless his employment is terminated by either us or Mr. Siegel, and provides for an annual base salary of $990,000; Company-paid automobile expenses; reimbursement of insurance premiums and certain legal, financial and other professional services up to $100,000 during any calendar year.

Pursuant to the J. Siegel Amended and Restated Employment Agreement, we granted Mr. Siegel an option to purchase 75,000 shares of our common stock at a price per share equal to the closing stock price on January 12, 2017. The option shall vest as to 25,000 shares on each of December 31, 2017, December 31, 2018 and December 31, 2019. Pursuant to the J. Siegel Amended and Restated Employment Agreement, we also granted Mr. Siegel 10,000 restricted shares of our common stock. The restrictions on 3,333 restricted shares shall terminate on each of December 31, 2017 and December 31, 2018 and the restrictions on 3,334 restricted shares shall terminate on December 31, 2019.

The J. Siegel Amended and Restated Employment Agreement also entitles Mr. Siegel to receive an Annual Adjusted IBIT Performance Bonus and an Annual Individual Goal Bonus based on certain measurable objectives as described under *Annual Bonuses.*

The J. Siegel Amended and Restated Employment Agreement further provides for payments to Mr. Siegel upon the termination of his employment as described under *Potential Payments Upon Termination or Change of Control.* The J. Siegel Amended and Restated Employment Agreement provides that under certain circumstances, including a change in Mr. Siegel s position or material reduction in Mr. Siegel s responsibilities, Mr. Siegel may terminate his employment for Good Reason and be entitled to receive such payments. Mr. Siegel waived such termination right and any entitlement to such payments resulting from the change in Mr. Siegel s position from Chief Executive Officer to Executive Chairman in connection with the Filament Acquisition.

The complete text of the J. Siegel Amended and Restated Employment Agreement was filed with the SEC as an exhibit to a Form 8-K dated January 19, 2017. The complete text of the amendment to his employment agreement was filed with the SEC on November 9, 2017 as an exhibit to the Form 10-Q for the nine months ended September 30, 2017. Mr. Siegel s employment agreement and the amendment thereto are incorporated herein by reference and the foregoing description of such agreements is qualified in its entirety by the text of such agreements.

Ronald Shiftan

During 2018, Ronald Shiftan was employed by us as our Vice Chairman and Chief Operating Officer pursuant to the Third Amended and Restated Employment Agreement by and between the Company and Mr. Shiftan, dated as of November 24, 2015, as amended by an amendment dated November 8, 2017 (as amended, the Shiftan Employment Agreement) and further amended by the Retirement Agreement between the Company and Mr. Shiftan, dated June 11, 2018 (the Retirement Agreement). The Retirement Agreement sets forth the terms of Mr. Shiftan s continued employment through his retirement as an officer of the Company effective March 15, 2019 (the Retirement Date). Prior to the Retirement Date, the Company and Mr. Shiftan agreed that neither party will terminate Mr. Shiftan s employment pursuant to the Shiftan Employment Agreement, except that prior to the Retirement Date the Company may terminate Mr. Shiftan s employment for cause, Mr. Shiftan could terminate his employment for good reason (as such definition is amended by the Retirement Agreement), or Mr. Shiftan s employment could be terminated on account of his death or disability.

The Retirement Agreement extended the term of Mr. Shiftan s employment agreement through the Retirement Date. During the period from June 11, 2018 through the Retirement Date (the Transition Period), Mr. Shiftan continued to perform such duties as were assigned to him by the Chief Executive Officer, provided, however, that during the period from January 1, 2019 through the Retirement Date, his time commitment was reduced to 50% of what it had been over the prior 36 months.

Pursuant to the Retirement Agreement, the Company continued to pay Mr. Shiftan his base salary of $650,000 under the Shiftan Employment Agreement through December 31, 2018. For the remainder of the Transition Period, the Company paid him at the rate of 50% of such base salary. The Retirement Agreement further provides Company-paid automobile expenses; and reimbursement of insurance premiums, and certain legal, financial and other professional services up to $75,000 during any calendar year.

Table of Contents

The Retirement Agreement also entitles Mr. Shiftan to receive an Annual Adjusted IBIT Performance Bonus and an Annual Individual Goal Bonus based on certain measurable objectives as described under *Annual Bonuses* and in accordance with the Shiftan Employment Agreement. Mr. Shiftan s 2018 bonus eligibility was determined and paid in accordance with the Shiftan Employment Agreement; he is not entitled to any other bonus compensation, including in respect of the portion of the year that he works in 2019.

The Retirement Agreement further provides for payments to Mr. Shiftan upon the termination of his employment as described under *Potential Payments Upon Termination or Change of Control.*

The complete text of the Retirement Agreement was filed with the SEC as an exhibit to a Form 8-K dated June 12, 2018. The complete text of the Third Amended and Restated Employment Agreement was filed with the SEC as an exhibit to a Form 8-K dated November 30, 2015. The complete text of the Amendment to the Third Amended and Restated Employment Agreement was filed with the SEC on November 9, 2017 as an exhibit to the Form 10-Q for the nine months ended September 30, 2017. The Third Amended and Restated Employment Agreement, the amendment thereto dated November 8, 2017, and the Retirement Agreement are incorporated herein by reference and the foregoing descriptions of such agreements are qualified in their entirety by the text of such agreements.

Daniel Siegel

During 2018, Daniel Siegel was employed by us as our President pursuant to an employment agreement dated as of November 8, 2017, effective as of January 1, 2018 (the D. Siegel Employment Agreement).

The D. Siegel Employment Agreement provides that the term of Mr. Siegel s employment shall be through December 31, 2020, with automatic renewals for additional one-year periods unless his employment is terminated by either us or Mr. Siegel, and provides for an annual base salary of $512,500, for the period from January 1, 2018 through June 30, 2019 and a base salary of $550,000 for the period from July 1, 2019 through December 31, 2020. The D. Siegel Employment Agreement provides certain perquisites including Company-paid automobile expenses. The D. Siegel Employment Agreement also entitles Mr. Siegel to receive an Annual Adjusted IBIT Performance Bonus and an Annual Individual Goal Bonus based on certain measurable objectives as described under *Annual Bonuses*.

Mr. Siegel s employment agreement further provides for payments to Mr. Siegel upon the termination of his employment as described under *Potential Payments Upon Termination or Change of Control.*

The complete text of the D. Siegel Employment Agreement, dated as of November 8, 2017, was filed with the SEC on November 9, 2017 as an exhibit to the Form 10-Q for the nine months ended September 30, 2017. The D. Siegel Employment Agreement is incorporated herein by reference and the foregoing description of such agreement is qualified in its entirety by the text of such agreement.

Laurence Winoker

During 2018, Laurence Winoker was employed by us as our Senior Vice-President Finance, Treasurer and Chief Financial Officer pursuant to an employment agreement dated as of June 28, 2007, as amended as of March 8, 2010 and April 12, 2012, as amended and restated as of September 10, 2015 and as amended November 8, 2017 (the Winoker Amended and Restated Employment Agreement).

The Winoker Amended and Restated Employment Agreement provides for an annual base salary of $425,000 for 2018 and an Annual Adjusted IBIT Performance Bonus and an Annual Individual Goal Bonus based on certain measurable objectives as described under *Annual Bonuses*. The Winoker Amended and Restated Employment Agreement also provides for certain perquisites including Company-paid automobile related expenses.

The Winoker Amended and Restated Employment Agreement further provides for payments to Mr. Winoker upon the termination of his employment as described under *Potential Payments Upon Termination or Change of Control.*

The complete text of Mr. Winoker s employment agreement, dated as of June 28, 2007, was filed with the SEC as an exhibit to a Form 8-K dated July 3, 2007. The complete text of the first amendment to Mr. Winoker s employment agreement was filed with the SEC as an exhibit to a Form 8-K dated March 10, 2010. The complete text of the second amendment to Mr. Winoker s employment agreement was filed with the SEC as an exhibit to a Form 8-K dated April 16, 2012. The complete text of the Amended and Restated Employment Agreement was filed with the SEC as an exhibit to a Form 8-K dated September 16, 2015. The complete text of the amendment to the Amended and Restated Employment Agreement was filed with the SEC on November 9, 2017 as an exhibit to the Form 10-Q for the nine months ended September 30, 2017. Mr. Winoker s employment agreement, the first amendment to his employment agreement, the second amendment to his employment agreement, the Amended and Restated Employment Agreement and the amendment to the Amended and Restated Employment Agreement are incorporated herein by reference and the foregoing descriptions of such agreements are qualified in their entirety by the text of such agreements.

Table of Contents

GRANTS OF PLAN-BASED AWARDS DURING FISCAL YEAR ENDED DECEMBER 31, 2018

The following table sets forth information regarding grants of plan-based compensation to the NEOs during 2018.

	Grant date	Estimated possible payouts under non-equity incentive plan awards (1) Threshold ($)	Target ($)	Maximum ($)	Estimated future payouts under equity incentive plan awards (2) Threshold (#)	Target (#)	Maximum (#)	All other stock awards: Number of shares of stock (#)	All other option awards: Number of securities underlying options (#)	Exercise or base price of option awards ($)	C da va sto o av
Kay											
ve		$450,000	$900,000	$1,600,000							
s	March 2, 2018								150,000(3)	$13.75	6
ted	March 2, 2018							50,000(4)			6
ted	June 28, 2018							6,000(5)			
nance	June 28, 2018(6)				42,000	56,000	84,000				7
mance	August 8, 2018(6)				28,500	38,000	57,000				4
Siegel											
ve		618,750	1,237,500	2,227,500							
ted	June 28, 2018							6,000(5)			
mance	June 28, 2018				4,500	6,000	9,000				
ve		341,250	682,500	1,397,500							
Siegel l											
ve		288,281	576,563	768,750							
ted	June 28, 2018							4,500(5)			

nance	June 28, 2018				3,375	4,500	6,750	
ce er								
ve		132,813	265,625	425,000				
ted	June 28, 2018							4,500(5)
nance	June 28, 2018				3,375	4,500	6,750	

Notes:

(1) The threshold, target and maximum payouts disclosed in the table above include the Annual Adjusted IBIT Performance Bonus and the Annual Individual Goal Bonus for each of the NEOs.

(2) The threshold, target and maximum performance share awards represent possible future payouts of the Company s common stock underlying performance share awards granted in 2018. These awards will vest upon the achievement of performance measures based on cumulative performance metrics over a three-year performance period (January 1, 2018 through December 31, 2020), with threshold, target and maximum awards equal to 75%, 100% and 150%, respectively, of the number of performance share awards granted. If the minimum financial goals are not met at the end of the three-year period, no awards will be paid out under the Amended and Restated 2000 Long Term Incentive Plan.

(3) These options were granted under the Amended and Restated 2000 Long Term Incentive Plan pursuant to Mr. Kay s employment agreement. The options vest in equal annual installments over three years on March 2, 2019, 2020 and 2021.

(4) Represents restricted stock granted under the Amended and Restated 2000 Long Term Incentive Plan pursuant to Mr. Kay s employment agreement. The restricted stock vests in equal installments on March 2, 2019, 2020 and 2021.

(5) Represents restricted stock granted under the Amended and Restated 2000 Long Term Incentive Plan. The restricted stock vests in equal installments on the first, second, third and fourth anniversaries of the grant date.

(6) These performance shares were granted under the Amended and Restated 2000 Long Term Incentive Plan and include performance shares granted pursuant to Mr. Kay s employment agreement, as well as additional performance shares granted to further incentivize Mr. Kay s performance.

Table of Contents

OPTION EXERCISES AND STOCK VESTED DURING FISCAL YEAR ENDED DECEMBER 31, 2018

	Option Awards		Restricted Stock Awards	
Name	Number of shares acquired on exercise	Value realized on exercise ($)	Number of shares acquired on vesting	Value realized on Vesting ($)
Robert Kay	-	$ -	-	$ -
Jeffrey Siegel	15,000	107,250	12,229	146,119
Ronald Shiftan	15,000	83,250	10,562	129,399
Daniel Siegel	-	-	8,896	112,689
Laurence Winoker	5,000	33,250	4,948	62,357

41

Table of Contents

OUTSTANDING EQUITY AWARDS HELD BY NEOs AT DECEMBER 31, 2018

	Option Awards						Stock Awards						
	Number of securities underlying unexercised options (#) exercisable		Number of securities underlying unexercised options (#) unexercisable		Option exercise price ($)	Option expiration date	Number of Shares or Units of Stock that have not vested (#)		Market Value of Shares or Units of Stock That have not vested ($)		Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not vested (#)		Equity I Plan A Market o Value of U Shares, U Other Ri have not v
Kay													
	-		150,000	(1)	13.75	March 2, 2028							
ed													
							50,000	(2)	501,500	(3)			
							6,000	(4)	60,180	(3)			
ance													
											56,000	(5)	561,68
											38,000	(6)	381,14
	100,000	(7)			13.27	May 6, 2020							
	150,000	(8)			11.73	March 3, 2021							
	30,000	(9)			11.64	April 30, 2022							
	24,000	(10)			12.79	May 6, 2023							
	100,000	(11)			18.04	March 11, 2024							
	16,000	(12)			19.10	April 29, 2024							
	50,000	(13)	25,000	(13)	16.60	January 1, 2027							

ed	1,250	(14)	12,538	(3)					
	3,000	(15)	30,090	(3)					
	3,334	(16)	33,440	(3)					
	4,500	(17)	45,135	(3)					
	6,000	(4)	60,180	(3)					
ance					6,000	(18)	60,18		