LIFETIME BRANDS, INC
Form DEF 14A
April 30, 2018
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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:

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Notice of 2018 Annual Meeting

and Proxy Statement

June 28, 2018 Garden City, New York

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 28, 2018 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 thirteen directors; to ratify the appointment of our independent registered public accounting firm; to approve the compensation of the Company s named executive officers; and to approve an amendment and restatement of the Company s Amended and Restated 2000 Long-Term Incentive Plan. 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, 2017.

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, 2018

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting To Be Held on June 28, 2018: The Proxy Statement, form of proxy, and Annual Report on Form 10-K for the fiscal year ended December 31, 2017 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.

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

June 28, 2018, 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 28, 2018 at 10:30 a.m., Eastern Time (the Annual Meeting), for the following purposes:

(1) To elect to the board of directors the thirteen persons named in the accompanying Proxy Statement, each to serve until the 2019 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 2018;

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

(4) To approve an amendment and restatement of the Company s Amended and Restated 2000 Long-Term Incentive Plan.

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 30, 2018 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, 2018

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PROXY SUMMARY

VOTING MATTERS & BOARD RECOMMENDATIONS

Proposal No.	*Proposal*	*Board Recommends*
1	To elect a board of directors consisting of thirteen 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 2018	**FOR**
3	To approve, on a non-binding advisory basis, the compensation of the Company s named executive officers	**FOR**
4	To approve an amendment and restatement of the Company s Amended and Restated 2000 Long-Term Incentive Plan	**FOR**

BOARD NOMINEES, COMMITTEE ASSIGNMENTS AND NEW CHIEF EXECUTIVE OFFICER

There are 13 Director nominees for election at our 2018 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. With the exception of Messrs. Kay, Pollack and Schnabel, the nominees 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 (Taylor) and related entities, providing for the acquisition of Taylor by the Company (the Taylor 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 Taylor Acquisition, the Board unanimously voted to expand the Board to 13 directors and to appoint Messrs. Kay, Pollack and Schnabel to fill the newly created vacancies on the Board. As such, in addition to the ten Directors that were elected to the Board at the last Annual Meeting and who are all standing for re-election to the Board at the 2018 Annual Meeting, Messrs. Kay, Pollack and Schnabel are also standing for election to the Board at the 2018 Annual Meeting.

In addition, pursuant to the Merger Agreement and the employment agreement that he entered into with the Company, Mr. Kay assumed the position of Chief Executive Officer of the Company as of March 2, 2018.

Name	*Age*	*Main Occupation*	*Joined Board*	*Committee Assignment*

Jeffrey Siegel	75	Chairman/Executive Chairman, Lifetime Brands, Inc.	1967	SP
Ronald Shiftan	73	Vice Chairman/COO, Lifetime Brands, Inc.	1984	
Michael J. Jeary	71	Retired advertising executive	2005	Nom/Gov, SP (Chair), Comp
Robert B. Kay	56	CEO, Lifetime Brands, Inc.	2018	
John Koegel*	66	Principal, Jo-Tan, LLC	2008	Nom/Gov (Chair), SP, Comp
Craig Phillips	67	Retired, Senior VP - Distribution[1], Lifetime Brands, Inc.	1974	
Bruce Pollack	59	Managing Partner, Centre Partners Management, LLC	2018	
Cherrie Nanninga	69	Partner, Real Estate Solutions Group	2003	Nom/Gov, Audit, Comp (Chair)

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Name	*Age*	*Main Occupation*	*Joined Board*	*Committee Assignment*
Dennis E. Reaves	75	Consultant	2013	Nom/Gov, SP
Michael J. Regan	76	Retired Certified Public Accountant	2012	Nom/Gov, Audit
Sara Genster Robling	61	Principal, Robling Advisors, LLC	2016	Nom/Gov, SP
Michael Schnabel	40	Managing Director, Centre Partners Management, LLC	2018	
William U. Westerfield	86	Retired Certified Public Accountant	2004	Nom/Gov, Audit (Chair)

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

* Independent Lead Director

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

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,
- stock ownership 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.

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THE BOARD OF DIRECTORS EXTENDS A CORDIAL INVITATION TO ALL STOCKHOLDERS TO ATTEND THE MEETING. WHETHER OR NOT YOU PLAN TO ATTEND THE 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 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 28, 2018

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 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 30, 2018 are entitled to notice of and to vote at the Meeting. This Proxy Statement and the accompanying proxy shall be mailed to stockholders on or about May 7, 2018.

THE MEETING

On April 30, 2018, there were 20,605,314 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 Meeting.

All shares of common stock represented by properly executed proxies or voting instruction forms will be voted at the 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 2018, FOR Proposal 3 the approval, on a non-binding advisory basis, of the compensation of the Company s named executive officers and FOR Proposal 4 to approve an amendment and restatement of the Amended and Restated 2000 Long-Term Incentive Plan. If any other matters are properly presented at the 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 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 Meeting, in person or by proxy, and entitled to vote shall constitute a quorum. Abstentions 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 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, (3) the affirmative vote of a majority of the shares present at the 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, (4) the affirmative vote of a majority of the shares present at the Meeting, in person or by proxy, and entitled to vote is necessary to approve an amendment and restatement of our Amended and Restated 2000 Long-Term Incentive Plan.

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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 thirteen 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 thirteen directors and stockholders may not cumulate votes for the election of any directors.

With respect to Proposals 2, 3 and 4, 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, 3 and 4 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 Meeting. New York Stock Exchange (NYSE) rules prohibit brokers from voting on Proposals 1, 3 and 4 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 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 Meeting, in person or by proxy, and entitled to vote (Proposals 3 and 4).

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.

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.

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 before mailing. If you do not sign your proxy card, 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 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. 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.

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PROXY SOLICITATION

We will bear the cost of preparing, printing, assembling and mailing the proxy, this Proxy Statement and other material 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.

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).

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our common stock as of April 30, 2018 (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 NAMED EXECUTIVE OFFICERS (1)		
Jeffrey Siegel	1,466,526 (2)	7.0%
Craig Phillips	664,954 (3)	3.2
Daniel Siegel	412,845 (4)	2.0
Ronald Shiftan	389,468 (5)	1.9
Laurence Winoker	112,705 (6)	
Michael J. Jeary	75,236 (7)	
Cherrie Nanninga	51,736 (8)	
Robert B. Kay	50,000	
William U. Westerfield	41,918 (9)	
John Koegel	33,721	
Michael J. Regan	20,770	

Dennis E. Reaves	15,194	
Sara Genster Robling	8,655	
Bruce Pollack	5,594,838 (10)	27.2
Michael Schnabel	1,722	
All directors and executive officers as a group (15 persons)	8,940,288	41.7

Name of beneficial owner	*Number of shares beneficially owned*	*Percent of shares beneficially owned*
Taylor Parent, LLC 825 Third Avenue, 40th floor New York, New York 10022	5,593,116 (11)	27.1
Mill Road Capital II, L.P. 382 Greenwich Avenue, Suite One Greenwich, Connecticut 06830	1,628,203 (12)	7.9
Wellington Management Group LLP 280 Congress Street Boston, Massachusetts 02210	1,539,751 (13)	7.5
Wellington Trust Company, NA c/o Wellington Management Company LLP	1,244,182 (14)	6.0

280 Congress Street Boston, Massachusetts 02210		
Dimensional Fund Advisors LP 6300 Bee Cave Road Austin, Texas 78746	1,202,294 (15)	5.8

Notes:

* Calculated on the basis of 20,605,314 shares of common stock outstanding on April 30, 2018. 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) 1,005,516 shares owned directly by Mr. Jeffrey Siegel, (ii) 1,010 shares owned by Mr. Siegel s wife, and (iii) 460,000 shares issuable upon the exercise of options which are exercisable within 60 days.

(3) Consists of: (i) 636,676 shares owned directly by Mr. Phillips and (ii) 28,278 shares held in an irrevocable trust for the benefit of Mr. Phillips.

(4) Consists of: (i) 335,345 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 for the benefit of Katherine and Juliana Wells, and (v) 67,000 shares issuable upon the exercise of options which are exercisable within 60 days.

(5) Consists of: (i) 219,134 shares owned directly by Mr. Shiftan and (ii) 170,334 shares issuable upon the exercise of options which are exercisable within 60 days.

(6) Consists of: (i) 26,705 shares owned directly by Mr. Winoker and (ii) 86,000 shares issuable upon the exercise of options which are exercisable within 60 days.

(7) Consists of: (i) 50,236 shares owned directly by Mr. Jeary and (ii) 25,000 shares issuable upon the exercise of options that are exercisable within 60 days.

(8) Consists of: (i) 26,736 shares owned directly by Ms. Nanninga and (ii) 25,000 shares issuable upon the exercise of options that are exercisable within 60 days.

(9) Consists of: (i) 3,794 shares owned directly by Mr. Westerfield and (ii) 38,124 shares held in a revocable trust for the benefit of Mr. Westerfield s wife.

(10) Consists of: (i) 1,722 shares owned directly by Mr. Pollack and (ii) 5,593,116 shares held by Taylor Parent. CP Taylor GP, LLC (CP Taylor) has the authority to appoint the board of directors of Taylor Parent. Centre Partners V, L.P. (Centre Partners LP) is the sole member of CP Taylor. Centre Partners V LLC (Centre Partners) is the general partner of Centre Partners LP. Mr. Pollack is the president of JRJ Inc., the general partner of a co-manager of Centre Partners. As such, Mr. Pollack may be deemed to beneficially own the shares of common stock owned directly by Taylor Parent. The reporting person disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.

(11) Based solely on the Schedule 13D filed with the SEC on March 9, 2018. Represents shares owned by Taylor Parent. CP Taylor, which appoints the board of directors of Taylor Parent, has the ability to direct the

management of Taylor Parent s business, including the power to direct the decisions of Taylor Parent regarding the vote and disposition of securities held by Taylor Parent; therefore, CP Taylor may be deemed to have indirect beneficial ownership of the shares of Common Stock held by Taylor Parent. Centre Partners LP, in its capacity as sole member of CP Taylor, has the ability to direct the management of CP Taylor s business, including the power to direct the decisions of CP Taylor regarding the vote and disposition of securities held by Taylor Parent; therefore, Centre Partners LP may be deemed to have indirect beneficial ownership of the shares of Common Stock held by Taylor Parent. Centre Partners, in its capacity as the general partner of Centre Partners LP, has the ability to direct the management of Centre Partners LP s business, including the power to direct the decisions of Centre Partners LP regarding the vote and disposition of securities held by Taylor Parent; therefore, Centre Partners may be deemed to have indirect beneficial ownership of the shares of Common Stock held by Taylor Parent. JRJ LP and Harwich Road V LP, (Harwich Road LP), in their capacity as co-managers of Centre Partners, have the ability to direct the management of Centre Partners business, including the power to direct the decisions of Centre Partners regarding the vote and disposition of securities held by Taylor Parent; therefore, JRJ LP and Harwich Road LP may be deemed to have indirect beneficial ownership of the shares of Common Stock held by Taylor Parent. JRJ, in its capacity as the general partner of JRJ LP, has the ability to direct the management of JRJ LP s business, including the power to direct the decisions of JRJ LP regarding the vote and disposition of securities held by Taylor Parent; therefore, JRJ may be deemed to have indirect beneficial ownership of the shares of Common Stock held by Taylor Parent. Harwich Road Inc., (Harwich Road), in its capacity as the general partner of Harwich Road LP, has the ability to direct the management of Harwich Road LP s business, including the power to direct the decisions of Harwich Road LP regarding the vote and disposition of securities held by Taylor Parent; therefore, Harwich Road may be deemed to have indirect beneficial ownership of the shares of Common Stock held by Taylor Parent. Bruce G. Pollack, in his capacity as the President of JRJ, has the ability to direct the management of JRJ s business, including the power to direct the decisions of JRJ regarding the vote and disposition of securities held by Taylor Parent; therefore, Mr. Pollack may be deemed to have indirect beneficial ownership of the shares of Common Stock held by Taylor Parent. David L. Jaffe, in his capacity as the President of Harwich Road, has the ability to direct the management of Harwich Road s business, including the power to direct the decisions of Harwich Road regarding the vote and disposition of securities held by Taylor Parent; therefore, Mr. Jaffe may be deemed to have indirect beneficial ownership of the shares of Common Stock held by Taylor Parent. Each of Taylor Parent, CP Taylor, Centre Partners LP, Centre Partners, JRJ LP, Harwich Road LP, JRJ, Harwich Road, Bruce G. Pollack and David L Jaffe, may be deemed to have sole voting and dispositive power or the sole power to direct the vote and disposition with respect to 5,593,116 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. 4 to the Schedule 13G filed with the SEC on April 10, 2018. Represents shares owned of record by clients of one or more investment advisers directly or indirectly owned by Wellington Management Group LLP (Wellington Management). Accordingly, Wellington Management may be deemed to have shared voting power with respect to 1,252,814 shares and shared dispositive power with respect to 1,539,751 shares.

(14) Based solely on Amendment No. 3 to the Schedule 13G filed with the SEC on February 9, 2018, Wellington Trust Company, NA (Wellington Trust), in its capacity as an investment adviser, may be deemed to beneficially own 1,244,182 shares which are held of record by clients of Wellington Trust.

(15) Based solely on Amendment No. 9 to the Schedule 13G filed with the SEC on February 9, 2018. 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 1,160,121 shares and shared dispositive power with respect to 1,202,294 shares. As stated in Amendment No. 9 to the Schedule 13G filed with the SEC on February 9, 2018, 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.

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Proposal No. 1

ELECTION OF DIRECTORS

A board of thirteen 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 thirteen persons named below, unless the proxy card 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.

Ronald Shiftan is Vice Chairman of our Board and our Chief Operating Officer. He was elected Vice Chairman in November 2004 and appointed Chief Operating Officer in June 2005. Mr. Shiftan has been one of our directors since 1984 and a director of Vasconia since 2007. Mr. Shiftan was a director of GS Internacional S/A (GSI), a wholesale distributor of branded housewares products in Brazil, from 2011 to 2016 when the Company sold its 40% equity ownership in GSI.

Robert B. Kay is our Chief Executive Officer and has served in such role since the consummation of the Taylor Acquisition in March 2018. Mr. Kay previously served as the Chairman and Chief Executive Officer of Taylor 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.

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

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Bruce Pollack, is a Managing Partner of Centre Partners Management, LLC 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, K2 Pure Solutions, L.P., Sun Orchard, Inc., Nearly Natural, LLC and U.S. Retirement & Benefits Partners, Inc., 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., the Connors Bros. Income Fund, Distant Lands Trading Co., Inc., Garden Fresh Holdings, Inc., The Johnny Rockets Group, Inc., KIK Corporation Holdings, Inc., Muzak L.P., Salton, Inc., Ross Aviation, LLC and several other private companies. He is on the Board of Governors of the Weizmann Institute of Science and serves as a Trustee at Brandeis University. Mr. Pollack received a B.A. from Brandeis University.

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 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.

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.

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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.

Sara Genster Robling has been the Principal of Robling Advisors, LLC, since 2014. From 2008 to 2013, Ms. Robling was an Executive Vice President of Pinnacle Foods Corporation. Before joining Pinnacle in 2008, Ms. Robling was Chief Marketing Officer at Trane, Inc. (formerly American Standard), held several senior leadership roles at Campbell Soup Company, including Vice President and General Manager of Global Beverages, and was a Marketing Manager at Kraft. Ms. Robling previously served as non-executive Chairman of Plated, the venture-backed e-commerce platform that provides a premium cook-at-home dinner experience from 2014 to 2017.

Michael Schnabel, is a Managing Director 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 and Sun Orchard, 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

William U. Westerfield is a retired certified public accountant. From 1965 to 1992, Mr. Westerfield was an audit partner at Price Waterhouse LLP, a leading independent public accounting firm. Mr. Westerfield previously served as a director and member of the audit, compensation, nominating and corporate governance committees of Gymboree Corporation, an international children s apparel retailer. Mr. Westerfield previously served as a director and a member of the audit committee of West Marine, Inc., a boating supply retailer. He is also a member of the Board of American Friends of the National Museum of Bermuda and previously a member of the Board of Trustees of Arcadia University. The Board has determined that Mr. Westerfield is an Audit Committee Financial Expert, as defined by the SEC rules.

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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.
Ronald Shiftan	Service as our Vice Chairman and Chief Operating Officer; knowledge of the Company and the housewares industry; distinguished career with public company board experience, leadership experience at a large public sector organization, financial markets expertise acquired as a general partner in a major international investment banking firm; financial, business and strategic acumen.
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.
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 Pollack	Extensive investment banking and private equity experience; Board of Director leadership experience through portfolio companies of Centre Partners Management LLC.
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.

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.
Sara Genster Robling	Distinguished career as a marketing executive; experience gained in leadership positions in consumer products industry.
Michael Schnabel	Extensive investment banking and private equity experience; Board of Director leadership experience through portfolio companies of Centre Partners Management, LLC.
William U. Westerfield	Notable career with extensive public company board experience; experience as an audit partner in a large international accounting firm; financial, business and strategic acumen; knowledge of the Company and the housewares industry through board service.

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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 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.

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EXECUTIVE OFFICERS

The following table sets forth the names and ages of each of our executive officers.

Name	Age	Positions/Offices with Company
Jeffrey Siegel	75	Chairman of the Board; Executive Chairman
Robert B. Kay	56	Chief Executive Officer
Ronald Shiftan	73	Vice Chairman of the Board; Chief Operating Officer
Daniel Siegel	48	President
Laurence Winoker	62	Senior Vice-President Finance; Treasurer; Chief Financial Officer

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 and 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 more recently as an Executive Vice President from 2010 to 2013. Mr. Siegel is a director of Vasconia, since 2008, and was a director of GSI from 2011 to 2016. Mr. Siegel is the son of Jeffrey Siegel, our 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 Pollack, Dennis E. Reaves, Sara Genster Robling, Michael J. Regan, Michael Schnabel and William U. Westerfield are independent directors under the listing standards of The NASDAQ Stock Market, LLC. Jeffrey Siegel, Robert B. Kay and Ronald Shiftan are our employees and are not considered to be independent directors. Craig Phillips was one of our employees until his retirement in January 2015, and effective March 2018 considered to be an independent director.

BOARD LEADERSHIP STRUCTURE

Jeffrey Siegel serves as Chairman of our Board and our Executive Chairman. Mr. Siegel has served the Company in various capacities and 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 the 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;
- Authorize 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 review 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 thirteen directors, ten 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

Effective July 31, 2012, our Board adopted stock ownership guidelines applicable to our directors. Under these guidelines, a director must, on or prior to the compliance 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 compliance 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. All our directors are in compliance with the stock ownership guidelines.

Effective August 4, 2015, our Board 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.

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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, Chief Operating 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.

BOARD AND COMMITTEE MEETINGS; ATTENDANCE

All directors who served as directors at the time attended our 2017 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 and four special meetings during the fiscal year ended December 31, 2017. During the 2017 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.

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 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. 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 seven of our independent directors: John Koegel (Chair), Michael J. Jeary, Cherrie Nanninga, Dennis E. Reaves, Michael J. Regan, Sara Genster Robling and William U. Westerfield. The Nominating and Governance Committee held ten meetings in 2017.

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 days before the stockholders meet to elect directors;
- 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;

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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 Corporate 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 Corporate 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 and the listing requirements for The NASDAQ Stock Market, LLC and the SEC rules. The current members are William U. Westerfield (Chair), Cherrie Nanninga and Michael J. Regan. Our Board has determined that William U. Westerfield and Michael J. Regan are Audit Committee Financial Experts, as defined by the SEC rules. The Audit Committee held four meetings during 2017.

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;
- 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, Sara Genster Robling and Jeffrey Siegel. Our Strategic Planning Committee held three meetings in 2017.

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 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 three directors, each of whom is independent. The current members are Cherrie Nanninga (Chair), John Koegel and Michael J. Jeary. Our Compensation Committee held thirteen meetings during 2017.

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 of our Executive Chairman, our Chief Executive Officer and our Chief Operating Officer;
Overseeing our compliance with the requirements under the NASDAQ Marketplace 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.

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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 2017.

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.

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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
Committee Member Annual Cash Retainer	$2,000

Independent Lead Director Annual Cash Retainer	$30,000
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 2017:

Name	**Fees earned or paid in cash**	**Stock awards [(1)(2)]**	**Total**
Michael J. Jeary	$82,750	$70,000	$152,750
John Koegel	116,250	70,000	186,250
Cherrie Nanninga	96,750	70,000	166,750
Craig Phillips	59,250	70,000	129,250
Bruce Pollack [(3)]			
Dennis E. Reaves	69,750	70,000	139,750
Michael J. Regan	70,250	70,000	140,250
Sara Genster Robling	69,750	70,000	139,750

Michael Schnabel [(3)]			
William U. Westerfield	88,250	70,000	158,250

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, which will be recognized by the Company for awards granted during 2017. For information, including assumptions, regarding the valuation of these awards refer to Note H to the Company s Consolidated Financial Statements for the year ended December 31, 2017 included in the Company s Annual Report on Form 10-K for the year ended December 31, 2017, and the Company s discussion of Critical Accounting Policies and Estimates included on page 45 of that Form 10-K.

(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.

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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, 2017:

Name	Restricted shares (1)	Vested stock options	Unvested stock options
Michael J. Jeary	3,794	25,000	--
John Koegel	3,794	--	--
Cherrie Nanninga	3,794	25,000	--
Craig Phillips	3,794	--	--
Bruce Pollack (2)	--	--	--
Dennis E. Reaves	3,794	--	--
Michael J. Regan	3,794	--	--
Sara Genster Robling	3,794	--	--
Michael Schnabel (2)	--	--	--
William U. Westerfield	3,794	--	--

Note:

(1) A total of 30,352 restricted shares were issued on June 22, 2017 and vest 100% on June 22, 2018.

(2) Messrs. Pollack and Schnabel were appointed to the Board as of March 2, 2018.

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 30, 2018.

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COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

In 2017, due to macro challenges facing the broader wholesale consumer products industry, including sales declines at certain retailers, retailer credit concerns and retailers reduction of inventory, the Company did not achieve its financial goals for 2017. There were, however, a number of tangible benefits of the strategic goals achieved that were within the control of the Company and that served our shareholders well for fiscal 2017 and will continue to benefit shareholders in future years. These included:

- West coast distribution facility relocation, providing state of the art construction with an overall smaller footprint than the previous facility and providing additional capacity for acquisition inventory requirements.
- Consolidation of the Netherlands operations into the U.K. and efforts to consolidate Kitchen Craft and Creative Tops operations to create operating efficiencies and enable each business to effectively leverage the other s traditional customer base.
- Reduction of inventory by 6%, excluding the acquisition of Fitz and Floyd, reflecting a successful company-wide effort to eliminate less productive SKUs.
- Acquisition of Fitz and Floyd, a tabletop and decorative ceramic business.

The Compensation Committee acknowledges the efforts of the Company in achieving the strategic objectives outlined above and looks forward to the increased scale and infrastructure to be provided by the Taylor Acquisition, completed in March 2018.

Our compensation program, which reflects our long-standing philosophy and objectives, is designed to align executive compensation with financial results and the achievements of the executives, yielding a high level of correlation between pay and performance. The financial results are evaluated and adjusted by our Compensation Committee to exclude income and expenses which our Compensation Committee believes should be excluded, to provide for a direct correlation of executive compensation with financial results.

As previously announced and disclosed, as a result of the Taylor Acquisition, Lifetime will be led by Robert Kay, formerly Chairman and Chief Executive Officer of Taylor, as CEO and Jeffrey Siegel, formerly Chief Executive Officer of Lifetime, as Executive Chairman. Our named executive officers (NEOs) are:

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

In 2011, 2014 and 2017, our Board provided stockholders with the opportunity to cast an advisory vote on executive compensation. Beginning in 2017, stockholders will be provided an annual advisory vote on executive compensation. We received overwhelming support from our stockholders on the advisory vote in 2011, 2014 and 2017. At our most recent Annual Meeting of Stockholders held on June 22, 2017, approximately 83.2% of the shares voted, approved, on an advisory basis, the compensation of our named executive officers. 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.

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- and long-term stockholder value for us, 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 ;

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- Both short 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 talented and experienced executives.

In an effort to balance the need to retain executive 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 Named Executive Officers (NEOs) amounted to 44% and 49%, respectively, of their total compensation for 2017.

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 historically awarded long-term incentive compensation, in the form of equity 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 2017:

Chief Executive Officer - 2017 Target Compensation

All Other Named Executive Officers (Average) - 2017 Target Compensation

Note:

(1) Long-term compensation includes time-based vesting restricted shares and performance share units subject to performance vesting conditions.

(2) Short-term compensation includes base salary, non-equity incentive plan compensation and other compensation.

(3) Performance-based compensation includes performance share units subject to performance vesting conditions and non-equity incentive plan compensation.

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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 us with 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 companies used in any analyses in the past year are:

Blyth Inc.
Callaway Golf Company
CSS Industries, Inc.
Delta Apparel, Inc.
The Dixie Group, Inc.
G-III Apparel Group
Helen of Troy Limited
JAKKS Pacific, Inc.

Johnson Outdoors Inc.
Libbey Inc.
Movado Group, Inc.
Oxford Industries, Inc.
Perry Ellis International, Inc.

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 Taylor, 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.

Non-Equity Incentive Plan Compensation (Annual Cash Bonus)

Non-equity incentive plan compensation is intended to compensate an executive for achievement of specific performance goals for a specified performance period. In 2017 cash bonuses were awarded to Messrs. Jeffrey Siegel, Shiftan, Daniel Siegel and Winoker pursuant to the Company s Amended and Restated 2000 Incentive Bonus Compensation Plan (the 2000 Bonus Plan).

The purpose of the 2000 Bonus Plan is: (i) to retain and motivate our key executives who have been designated as participants in this plan for a given performance period (usually one year) by providing them with the opportunity to earn bonus awards that are based on performance goals for the specified performance period and (ii) to structure bonus opportunities in a way that will qualify the awards as performance-based for purposes of Section 162(m) of the Internal Revenue Code (the Code), to the extent applicable, so that we will be entitled to a tax deduction for the payment of such incentive bonus awards to the designated participants, to the extent applicable.

Our Compensation Committee has determined that Adjusted IBIT best measures the efforts and productivity of Messrs. Jeffrey Siegel, Kay, 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.

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In determining to use Adjusted IBIT as the performance measure for the purpose of the 2000 Bonus Plan, 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 named executive officers 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 Executive Chairman, Chief Executive Officer and Chief Operating Officer and for the other 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 and Chief Operating Officer (Mr. Daniel Siegel s individual goals will be established by the Chief Executive Officer for 2018 and each year thereafter) in consultation with our Compensation Committee. The individual goals established for each of the NEOs for 2017 are discussed below. At the end of the 2017 fiscal year, Messrs. Jeffrey Siegel and Shiftan 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.

As set forth in detail in the table below, we achieved an Adjusted IBIT of $15.2 million for the 2017 fiscal year, which was above the threshold performance level of the plan of $11.6 million, and below the established target performance level of $23.1 million. Adjusted IBIT for 2017 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 2017 is included in Appendix A.

2017 Non-Equity Incentive Plan Metric and Achievement

Financial Metric	Threshold Performance Level	Target Performance Level	Maximum Performance Level	Actual Performance Achieved	% of Target
Adjusted IBIT	$11.6 million	$23.1 million	$46.3 million	$15.2 million	65.8%

<u>Jeffrey Siegel</u>

Jeffrey Siegel s employment agreement 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 2017). Pursuant to Mr. Siegel s 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. 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 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. Siegel s 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 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 2017 included: overseeing the implementation of the U.S. Wholesale product management system; manage the changes in systems, personnel and priorities to ensure the success of sales to online retailers; finalize the plan and timeline for the integration of our European subsidiaries; and revise and update the succession planning for key positions. Our Compensation Committee evaluated Mr. Siegel s achievement of his individual performance objectives and determined that the objectives were met at target.

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For 2017, Mr. Siegel was awarded a total bonus of $899,406, based upon the attainment of the 2017 performance objectives. For the year ended December 31, 2017, Adjusted IBIT amounted to $15.2 million, resulting in a payment of 65.8% of his target payment opportunity. 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*	*% of Target*
TOTAL	$618,750	$1,237,500	$2,227,500	$899,406	72.7%
Individual	123,750	247,500	247,500	247,500	100%
Adjusted IBIT	495,000	990,000	1,980,000	651,906	65.8%

Robert Kay

For each year during the term of Mr. Kay s employment, beginning with fiscal 2018, 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. 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 Target 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 employment agreement is effective beginning March 2, 2018 and he will be eligible for the Annual Adjusted IBIT Performance Bonus and Annual Individual Goal Bonus described above for fiscal 2018.

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 2017). Pursuant to the 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. The 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.

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Mr. Shiftan s individual goals for 2017 included: reducing selling, general and administrative expenses and distribution expenses as percentages of net sales; refining merger and acquisition criteria, identifying and pursuing merger and acquisition opportunities; identifying and pursuing opportunities to manufacture products in North America; overseeing and planning for the integration of the Company s European distribution centers and integration of UK businesses; and overseeing relocation of the Company s west coast distribution facility. Our Compensation Committee evaluated Mr. Shiftan s achievement of his individual performance objectives and determined that the objectives were met at target.

For 2017, Mr. Shiftan was awarded a total bonus of $482,717, based on the attainment of the 2017 performance objectives. For the year ended December 31, 2017, Adjusted IBIT amounted to $15.2 million, resulting in a payment of 65.8% of his target payment opportunity. The details of the results of Mr. Shiftan s full bonus payment opportunity (including individual target bonus opportunity) are provided in the table below.

	Bonus Opportunity				
	Threshold	*Target*	*Maximum*	*Actual Bonus Paid*	*% of Target*
TOTAL	$341,250	$682,500	$1,397,500	$482,717	70.7%
Individual	48,750	97,500	97,500	97,500	100%
Adjusted IBIT	292,500	585,000	1,300,000	385,217	65.8%

Daniel Siegel

Mr. Siegel s employment agreement, as amended, 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 Chief Operating Officer (and in the case of 2018 and each year thereafter, by the Chief Executive) 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 2017). Pursuant to the employment agreement, as amended, 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 and the Chief Operating Officer in consultation with Mr. Siegel, as determined by the Chief Executive Officer and the Chief Operating Officer in their sole discretion(and in the case of 2018 and each year thereafter, by the Chief Executive Officer); provided, however, if, in the sole discretion of the Chief Executive Officer and the Chief Operating Officer (and in the case of 2018 and each year thereafter, 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 2017 included: fulfilling his oversight responsibility for development of innovation in all areas of the Company, including design, marketing and trends; executing the findings of the review of the U.S. Wholesale business segment, Lifetime Next; fulfilling his responsibility for our trade shows and showrooms in order to enhance our strong position in the market; increasing our brand development to achieve synergies across divisions; identifying strategic opportunities to achieve international growth; and expanding our strategic plan. 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 Executive Chairman (then serving as Chief Executive Officer) and Chief Operating Officer, in consultation with our Compensation Committee, evaluated Mr. Siegel s achievement of his individual performance objectives and determined that the objectives were met at target.

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For 2017, Mr. Siegel was awarded a total bonus of $412,712, based upon the attainment of the 2017 performance objectives. For the year ended December 31, 2017, Adjusted IBIT amounted to $15.2 million, resulting in a payment of 65.8% of his target payment opportunity. 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*	*% of Target*
TOTAL	$267,188	$534,375	$712,500	$412,712	77.2%
Individual	89,063	178,125	178,125	178,125	100.0%
Adjusted IBIT	178,125	356,250	534,375	234,587	65.8%

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 2017). 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 2017 included: strengthening the finance department and ensuring success of certain key positions; continue tax planning to reduce corporate income tax rates; and negotiate financing to provide for adequate funding for potential acquisitions. 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 Executive Chairman (then serving as Chief Executive Officer) and Chief Operating Officer, in consultation with our Compensation Committee, evaluated Mr. Winoker s achievement of his individual performance objectives and determined that the objectives were met at target.

For 2017, Mr. Winoker was awarded a total bonus of $211,197, based upon the attainment of the 2017 performance objectives. For the year ended December 31, 2017, Adjusted IBIT amounted to $15.2 million, resulting in a payment of 65.8% of his target payment opportunity. 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*	*% of Target*
TOTAL	$132,813	$265,625	$425,000	$211,197	79.5%
Individual	53,125	106,250	106,250	106,250	100.0%
Adjusted IBIT	79,688	159,375	318,750	104,947	65.8%

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Equity Compensation

Equity compensation is intended to incentivize employees 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 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.

Beginning in 2015, upon the recommendation of our Compensation Committee, our Board restructured the Company s historical equity compensation program to be a program consisting 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. Net sales and adjusted EBITDA, were established as performance metrics for our performance share awards granted in 2015, 2016 and 2017, with performance periods ending on December 31, 2017, December 31, 2018 and December 31, 2019, respectively. 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. The maximum potential payout of the stock awards would be 150% of the target shares awarded on the grant date. Adjusted EBITDA is a non-GAAP financial measure. A reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure for 2017 is included in Appendix A.

Our performance for the performance-based stock awards granted in 2015 for the three-year performance period that ended on December 31, 2017, resulted in the following percentage payouts:

Performance Metrics	*Weight*	*Target (in thousands)*	*Actual (in thousands)*	*% Target*
Net Sales	50%	$1,860,000	$1,759,765	94.6%
Adjusted EBITDA	50%	$144,000	$131,303	91.2%

Stock options, restricted stock and performance share awards granted in 2017, 2016 and 2015 were granted pursuant to our Amended and Restated 2000 Long-Term Incentive Plan (the LTIP). Under the LTIP, awards for up to 5,287,500 shares of our common stock may be granted by our Board, or a duly appointed committee thereof, to directors, officers, employees, consultants and other service providers to us and our affiliates in the form of stock options or other equity-based awards. At December 31, 2017, 619,369 shares of the 5,287,500 shares authorized under the LTIP were available for awards that could be granted.

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 Code generally disallows a tax deduction to public companies for compensation in excess of $1 million paid to any of the companies chief executive officer and certain other NEOs. Prior to the effectiveness of the 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) and, prior to January 1, 2018, may have structured aspects of the performance-based portion of an executive s compensation to comply with the performance-based compensation exception in Section 162(m). However, we reserve the right to use our judgment to authorize compensation payments that do not comply with exceptions from the Section 162(m) deduction limitation, when we believe that such payments are appropriate and in the best interests of the stockholders, after taking into consideration the inability to claim the exceptions, changing business conditions and the executive officer s performance.

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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.

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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.

April 30, 2018 The Compensation Committee
Cherrie Nanninga Chair
John Koegel
Michael J. Jeary

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation Committee during the 2017 fiscal year were Michael J. Jeary, John Koegel and Cherrie Nanninga. During the 2017 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.

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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 Award (1) (2)*	*Option Awards (1)*	*All Other Compensation (7)*	*Total*
Jeffrey Siegel (3) Chairman of our Board, Chief Executive Officer	2017	$ 990,000	$ 899,406	$ 387,400	$ 454,500	$ 123,675	$ 2,854,981
	2016	1,000,000	1,412,316	188,280	-	108,136	2,708,732
	2015	1,000,000	1,194,812	148,400	-	117,122	2,460,334
Ronald Shiftan (4) Vice Chairman of our Board, Chief Operating Officer	2017	650,000	482,717	221,400	-	91,220	1,445,337
	2016	650,000	798,556	188,280	-	101,961	1,738,797