

LAKELAND INDUSTRIES INC  
Form DEF 14A  
May 06, 2016

**United States**

**Securities and Exchange Commission**

**Washington, D.C. 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  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

**Lakeland Industries, 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)(4) 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:

*Lakeland Industries, Inc.*

May 6, 2016

Dear Stockholder,

I am pleased to extend to you my personal invitation to attend the 2016 Annual Meeting of Stockholders of Lakeland Industries, Inc. (the "Company") on Wednesday, June 15, 2016 at 10:00 a.m. at the Hilton Garden Inn, 3485 Veterans Memorial Highway, Ronkonkoma, NY 11779.

The accompanying Notice of Annual Meeting and Proxy Statement contain a description of the formal business to be acted upon by the stockholders. At the meeting, we intend to discuss our performance for the fiscal year ended January 31, 2016 and our plans for the current fiscal year. Certain officers of the Company will be available to answer any questions you may have.

While I am looking forward to seeing you at the meeting, it is very important that those of you who cannot personally attend assure your shares are represented. I urge you therefore to sign and date the enclosed form of proxy and return it promptly in the accompanying envelope. If you attend the meeting, you may, if you wish, withdraw any proxy previously given and vote your shares in person.

Sincerely,

Christopher J. Ryan  
Chief Executive Officer and Secretary

*Lakeland Industries, Inc.*

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held on Wednesday, June 15, 2016**

To Our Stockholders:

**WHAT:** Our 2016 Annual Meeting of Stockholders

**WHEN:** Wednesday, June 15, 2016, at 10:00 a.m., local time

Hilton Garden Inn

**WHERE:** 3485 Veterans Memorial Highway

Ronkonkoma, NY 11779

**PURPOSE:** At this meeting, you will be asked to:

1. Elect two directors to serve for a term of three years or until his successor has been duly elected and qualified;
2. Ratify the selection of WeiserMazars LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2017; and
3. Transact any other business as may properly come before the Annual Meeting of Stockholders or any adjournments, postponements or rescheduling of the Annual Meeting of Stockholders

Only stockholders of record at the close of business on April 21, 2016 and owners of restricted stock granted pursuant to our stock plans will receive notice of, and be eligible to vote at, the Annual Meeting of Stockholders or any adjournment thereof. The foregoing items of business are more fully described in the Proxy Statement accompanying this notice.

**Your vote is important. Please read the Proxy Statement and the voting instructions on the enclosed proxy card. Then, whether or not you plan to attend the Annual Meeting of Stockholders in person, and no matter how many shares you own, please sign, date and promptly return the enclosed proxy card in the enclosed envelope, which requires no additional postage if mailed in the United States.**

**INTERNET AVAILABILITY OF PROXY MATERIALS**

**Important Notice Regarding the Availability of Proxy Materials for the 2016 Annual Meeting of Stockholders to be held on Wednesday, June 15, 2016 at 10:00 a.m.** Pursuant to Securities and Exchange Commission rules we have elected to utilize the “notice and access” option of providing proxy materials to our stockholders whereby we are delivering to all stockholders electronic copies of all of our proxy materials, including a proxy card, as well as providing access to our proxy materials on a publicly assessable website. **Lakeland’s Notice of Annual Meeting, Proxy Statement and Annual Report to Stockholders for the fiscal year ended January 31, 2016 are available on the Internet at [www.proxyvote.com](http://www.proxyvote.com).**

**This Notice and Proxy Statement are first being sent or given to stockholders of record on or shortly after May 6, 2016.**

Ronkonkoma, New York By Order of the Board of Directors,  
May 6, 2016

Christopher J. Ryan

Secretary

Lakeland Industries, Inc.

3555 Veterans Memorial Highway, Suite C

Ronkonkoma, New York 11779

(631) 981-9700

## PROXY STATEMENT

Annual Meeting of Stockholder to be Held on Wednesday, June 15, 2016

## GENERAL INFORMATION

This proxy statement and accompanying proxy are being furnished in connection with the solicitation by the Board of Directors (the "Board") of Lakeland Industries, Inc., a Delaware corporation (referred to as "Lakeland," the "Company," "we," "our," or "us"), of proxies to be used at the annual meeting of stockholders of Lakeland to be held on Wednesday, June 15, 2016, which we refer to as the Annual Meeting, and at any adjournment or postponement thereof. Lakeland will bear the costs of this solicitation. This proxy statement and accompanying proxy are first being sent or given to our stockholders on or about May 6, 2016.

### Who may vote

Stockholders of Lakeland recorded in our stock register on April 21, 2016 and holders of restricted shares of our common stock may vote at the meeting. As of that date, Lakeland had 7,363,425 shares of common stock issued and outstanding. Each share is entitled to one vote on each matter submitted to the stockholders at the Annual Meeting.

### How proxies work

Lakeland's Board is asking for your proxy. Giving us your proxy means you authorized us to vote your shares at the Annual Meeting in the manner you direct. You may vote or withhold your vote in respect of each of our director nominees. You may also vote for or against each of the other proposals or abstain from voting.

All proxies properly signed will, unless a different choice is indicated, be voted “FOR” the election of the two nominees for director proposed by our Nominating and Corporate Governance Committee and “FOR” the ratification of WeiserMazars LLP (“WeiserMazars”) as our independent registered public accounting firm for fiscal year ending January 31, 2017.

You may receive more than one proxy or voting card depending on how you hold your shares. Shares registered in your name are covered by one card. If you hold shares through someone else, such as a stockbroker or bank, you may get material from them asking how you want to vote. Specifically, if your shares are held in the name of your stockbroker or bank and you wish to vote in person at the meeting, you should request your stockbroker or bank to issue you a proxy covering your shares.

If any other matters come before the meeting or any postponement or adjournment, each proxy will be voted in the discretion of the individuals named as proxies on the card.

#### Revoking a proxy

You may revoke your proxy at any time before the vote is taken by submitting a new proxy with a later date, by voting via the Internet or by telephone at a later time, by voting in person at the meeting or by notifying Lakeland’s Secretary in writing at the address under “Questions” on page 27.

#### Quorum

In order to carry on the business of the meeting, we must have a quorum. This means at least a majority of the outstanding shares eligible to vote must be represented at the meeting, either by proxy or in person.

#### Attending in Person

Only stockholders, their proxy holders and Lakeland guests, each of which must be properly registered as described in the Notice, may attend the Annual Meeting.

What vote is required to approve each proposal?

Proposal No. 1, the election of two directors requires a plurality of the votes cast. The two nominees receiving the most “For” votes will be elected. Only votes “For” will affect the outcome. Abstentions or broker non-votes, as described below, will have no effect on the outcome of the vote on Proposal No. 1.

Proposal No. 2, the ratification of the appointment of WeiserMazars as our independent registered public accounting firm, requires a “For” vote by the majority of the shares present in person or represented by proxy and entitled to vote thereon. In determining whether the proposal has received the requisite number of votes, abstentions will be counted as a vote against this proposal.

How votes are counted and how are brokers non-votes treated?

Votes will be counted by the inspector of election appointed for the Annual Meeting, who will separately count “For” votes, “Against” votes, abstentions, withheld votes and broker non-votes.

A “broker non-vote” is when a broker, bank or other nominee has not received voting instructions from the beneficial owner of shares held in “street name” and the broker, bank or other nominee does not have, or declines to exercise, discretionary authority to vote on a particular matter. Brokers, banks or other nominees only have discretionary authority to vote your uninstructed shares on “routine” matters, but will not be allowed to vote your uninstructed shares with respect to certain “non-routine” matters. Under current Nasdaq Stock Market rules, the ratification of the appointment of independent registered public accountants (Proposal No. 2) is considered routine and your broker, bank or other nominee will be able to vote on that proposal even if it does not receive instructions from you. The election of two directors (Proposal No. 1) is a “non-routine” matter. This means that if you hold your shares through a broker, bank or other nominee in “street name” and do not provide voting instructions, the broker, bank or other nominee will have the discretion to vote your shares on Proposal No. 2 but not on Proposal No. 1.

How can I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be published in a Current Report on Form 8-K to be filed with the Securities and Exchange Commission (“SEC”) within four business days following the conclusion of our Annual Meeting.

#### **Householding of proxy material.**

Some banks, brokers and other nominee record holders may be participating in the practice of “householding,” which the SEC has approved. Under this procedure, you may only receive one copy of the Notice of Internet Availability of

Proxy Materials and, if applicable, this Proxy Statement and our annual report, for multiple stockholders in your household. Upon written or oral request, we will deliver promptly another copy of the Notice of Internet Availability of Proxy Materials and, if applicable, this Proxy Statement and our annual report to any stockholder at a shared address to which we delivered a single copy of any of these documents. To receive a separate copy, please contact the Secretary, Lakeland Industries, Inc., 3555 Veterans Memorial Highway, Suite C, Ronkonkoma, New York, 11779, by mail. If you want to receive separate copies of our proxy statements and annual reports in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder.

Has the Lakeland Board made a recommendation regarding the matters to be acted upon at the Annual Meeting?

Lakeland Board recommends that you vote “FOR” the election of the two directors proposed by the Nominating and Governance Committee and “FOR” the ratification of WeiserMazars LLP as our independent registered public accounting firm for the fiscal year ended January 31, 2017.

## ELECTION OF DIRECTORS

### **(Item 1 on the Proxy Card)**

#### General

Our Bylaw’s provide for a Board of Directors consisting of at least five and not more than seven directors, classified into three classes as nearly equal in number as possible. Our Board of Directors now consists of five directors. As indicated below, Mr. Thomas McAteer, a director in Class III and Mr. James Jenkins, are nominated for election at this Annual Meeting of Stockholders to hold office for a three-year term, which will expire at the 2019 Annual Meeting of Stockholders, or until their successors are duly elected and qualified or until such director’s earlier resignation or removal. Our Nominating and Governance Committee considered the qualifications of Mr. McAteer and Mr. Jenkins for election prior to the Annual Meeting, and unanimously recommended that they be nominated for election to the Board. Following the election, our Board will continue to consist of five directors consisting of (i) two directors serving in Class I, (ii) one director serving in Class II, and (iii) two directors serving in Class III, as further set forth below.

**Vote Required**

Directors are elected by a plurality of the votes properly cast in person or by proxy. Shares represented by executed proxy cards will be voted, if authority to do so is not withheld, for the election of the nominees named below. Abstentions and broker non-votes will have no effect on the outcome. If any Board nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will be voted for the election of a substitute nominee determined by our Board. Each person nominated by the Board for election has agreed to serve if elected. We have no reason to believe that any Board nominee will be unavailable or, if elected, will decline to serve.

**NOMINEE DIRECTORS - CLASS III**

Terms Expiring in 2019

**Name                      Age    Position    Director Since**

Thomas McAteer    63    Director    2011  
 James M. Jenkins    51    Director    2015

*Thomas J. McAteer* has served as a director since 2011. Mr. McAteer has served as Executive Vice President of Management Development and Strategic Initiatives of Suffolk Transportation since March 2013 and Chairman of the Board of New World Medical Network, a private healthcare organization, since 2015. He also served as the Vice Chair of the Board and Chair of the Compensation and Personnel Committee for the Long Island Power Authority since December 2014. He served as the Senior Vice President and Regional Market Head for Aetna's Medicaid Division from March 2007 until March 2013. Prior to joining Aetna Medicaid, Mr. McAteer served as the President and CEO of Vytra Health Plans. In a thirteen year career at Vytra, Mr. McAteer played an executive leadership role in growing Vytra from annual revenues of \$70 million in 1993 to over \$375 million in 2005. In 2001, Mr. McAteer facilitated the sale of Vytra to HIP Health Plans and, thereafter assumed the additional responsibilities of Executive Vice President for Brand Leadership, as well as joining the Executive Committee of the enterprise. Before joining Vytra, Mr. McAteer served as the Chief Deputy County Executive in Suffolk County, New York and prior to that as the Director of Human Resources for the Metropolitan Transportation Authority. Mr. McAteer's qualifications to serve on our Board include his business experience and multiple prior executive positions.

*James M. Jenkins* is a partner at Harter Secrest & Emery LLP, a regional law firm located in Western New York. Mr. Jenkins's practice is in focused the areas of corporate governance and general corporate law matters, including initial and secondary public offerings, private placements, mergers and acquisitions, and securities law compliance. Mr. Jenkins joined the firm in 1989 as an associate and was elected a partner effective January 1, 1997. He has served as the Chair of the firm's Securities Practice Group since 2001 and served as a member of the firm's Management Committee from January 2007 to January 2013. He was recently named the Partner in Charge of the firm's New York City office. Mr. Jenkins holds a B.A from Virginia Military Institute and a J.D. from West Virginia University College of Law. Mr. Jenkins previously served on our Board from 2012 to 2015 where he also was a member of our Audit and

Corporate Governance Committees. Mr. Jenkins's qualifications to serve on our Board include his corporate governance experience as well his current business-related experience.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR"**

**EACH OF THE NOMINEES FOR DIRECTOR**

## INCUMBENT DIRECTOR - CLASS II

Term Expiring in 2018

Name	Age	Position	Director Since
Stephen M. Bachelder	65	COO, Director	2004

**Stephen M. Bachelder** has served as our Chief Operating Officer since November 2012 and a director since 2004. From February 2011 to November 2012, he served as Chairman of our Board of Directors. From March 2011 until November 2012 he served as our National Sales Manager. Mr. Bachelder was an executive and President of Swiftview, Inc., a Portland, Oregon based software company, from 1999 to 2007. Swiftview, Inc. was sold to a private equity firm in October 2006. From 1991 to 1999 Mr. Bachelder operated a consulting firm advising technology companies in the Pacific Northwest. Mr. Bachelder was the president and owner of an apparel company, Bachelder Imports, from 1982 to 1991 and worked in executive positions for Giant Foods, Inc. and Pepsico, Inc. between 1976 and 1982. Mr. Bachelder is a graduate of the Harvard Business School. Mr. Bachelder's qualifications to serve on our Board include his business education and multiple prior executive positions at a number of companies, including Lakeland.

## INCUMBENT DIRECTORS - CLASS I

Terms Expiring in 2017

Name	Age	Position	Director Since
Christopher J. Ryan	64	Chief Executive Officer, President, Secretary and Director	1986
A. John Kreft	65	Director	2004

**Christopher J. Ryan** has served as our Chief Executive Officer and President since November 2003, Secretary since April 1991, and a director since May 1986. Mr. Ryan was our Executive Vice President - Finance from May 1986 until becoming our President in November 2003. Mr. Ryan also worked as a Corporate Finance Partner at Furman Selz Mager Dietz & Birney, Senior Vice President-Corporate Finance at Laidlaw Adams & Peck, Inc., Managing-Corporate Finance Director of Brean Murray Foster Securities, Inc. and Senior Vice President-Corporate Finance of Rodman & Renshaw, respectively, between 1983-1991. Mr. Ryan served as a Director of Lessing, Inc., a privately held restaurant chain based in New York, from 1995-2008. Mr. Ryan received his BA from Stanford

University, his MBA from Columbia Business School and his J.D. from Vanderbilt Law School. Mr. Ryan's qualifications to serve on our board include his business and legal education as well as his lengthy experience as a director at our Company and at other companies.

A. *John Kreft* has served as a director since 2004. Mr. Kreft has been President of Kreft Interests, a Houston based private investment firm, since 2001. Between 1998 and 2001, he was the Chief Executive Officer of Baker Kreft Securities, LLC, a NASD broker-dealer. From 1996 to 1998, Mr. Kreft was a co-founder and manager of TriCap Partners, a Houston based venture capital firm. From 1994 to 1996 he was employed as a director at Alex Brown and Sons. Mr. Kreft has also held senior positions at CS First Boston, including as a managing director from 1989 to 1994. Mr. Kreft received his MBA from the Wharton School of Business. Mr. Kreft's qualifications to serve on our board include his extensive capital markets experience with debt and equity financings and bank facilities. In addition, his familiarity with acquisition due diligence and integration issues assists him in his directorship of our company.

## DIRECTOR COMPENSATION

Non-employee directors each received \$4,000 quarterly and a fee of \$500 for each Board or committee meeting attended for the first quarter of the fiscal year ended January 31, 2016 (sometimes referred to in this proxy statement as “FY16”). As of the second quarter of FY16, the fee was revised to \$33,750 quarterly as compensation for serving as a member of the Board and on its committees. Two of the three independent directors chose to receive a percentage of their compensation in company restricted stock rather than all cash compensation. Members of the Board of Directors are reimbursed for all travel related expenses to and from meetings of the Board and committees. Directors who are also officers of the Company are not compensated for their duties as directors. In its deliberations relating to directors’ compensation, the Compensation Committee reviewed a study conducted by The Conference Board, entitled “Director Compensation and Board Practices 2013 Edition.”

The following table sets forth compensation paid by the Company to non-employee directors during FY16. Disclosures relating to the compensation of Christopher J. Ryan and Stephen M. Bachelder can be found in the “Executive Officer Compensation” section below.

## DIRECTOR COMPENSATION - FISCAL 2016

Name	Fees Earned or Paid in Cash (\$)	Stock Awards <sup>(1)</sup> (\$)	Option Award (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Duane W. Albro	106,750.00	—	—	—	—	—	106,750.00
A. John Kreft	84,150.93	25,312.50 <sup>(2)</sup>	—	—	—	—	109,463.43
Thomas McAteer	55,625.00	50,625.00 <sup>(3)</sup>	—	—	—	—	106,250.00
Douglas Benedict <sup>(4)</sup>	10,500.00	—	—	—	—	—	10,500.00
James Jenkins <sup>(4)</sup>	10,500.00	—	—	—	—	—	10,500.00

Represents the aggregate grant date fair value of restricted stock granted to the director during FY16. The amounts in this column do not necessarily correspond to the actual value that will be realized by the director. The assumptions used to calculate the fair value are set forth in the Footnotes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended January 31, 2016 as filed with the SEC. As of January 31, 2016, none of the directors, other than Messrs. McAteer and Kreft, held outstanding shares of restricted stock or options. As of January 31, 2016, Mr. McAteer had outstanding 21,972 shares of restricted stock and an outstanding

option to acquire 5,000 shares of common stock and Mr. Kreft had outstanding 8,819 shares of restricted stock.

(2) Mr. Kreft was paid a percentage of his fees in restricted stock totaling \$25,312.50 for FY16, subject to two-year vesting.

(3) Mr. McAteer was paid a percentage of his fees in restricted stock totaling \$50,625.00 for FY16, subject to two-year vesting.

(4) Was a director during the FY16 from February 1, 2015 through July 8, 2015.

RATIFICATION OF SELECTION OF WEISERMAZARS, LLP (WeiserMazars)

AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**(Item 2 on the Proxy Card)**

The Audit Committee of our Board (“Audit Committee”) has selected WeiserMazars LLP (“Weiser Mazars”) as our independent registered public accounting firm to audit our consolidated financial statements for the fiscal year ending January 31, 2017, and has directed that management submit the selection of WeiserMazars as our independent registered public accounting firm for ratification by the stockholders at the Annual Meeting.

WeiserMazars was retained as our independent auditors on July 16, 2014. A representative of WeiserMazars is expected to be present or available by phone at the Annual Meeting and will be available to respond to appropriate questions from our stockholders and will be given an opportunity to make a statement if he or she desires to do so.

The affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote will be required to ratify the selection of WeiserMazars as our independent registered public accounting firm once a quorum is present. Abstentions will be counted toward the tabulation of votes cast on this proposal and will have the same effect as a vote against this proposal.

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

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THIS PROPOSAL**

**Change in independent registered public accountants**

*United States*

As reported in the Company's Current Report on Form 8-K filed on July 21, 2014, we engaged WeiserMazars as our independent registered public accountants on July 16, 2014. On the same date, the Company dismissed Warren Averett, LLC ("Warren Averett") as its independent registered public accountants, effective immediately. This change of independent registered public accountants was approved by our Audit Committee.

During the fiscal years ended January 31, 2013 and January 31, 2014, the Company had a disagreement with Warren Averett relating to the question of the classification of the following items as material weaknesses: (i) failure of internal controls over the international division (2013), (ii) failure to identify related party transactions (2014) and (iii) failure of entity level controls regarding international divisions (2014), each of which was resolved to the former accountant's satisfaction. The Audit Committee discussed such disagreement with Warren Averett and the Company authorized Warren Averett to respond fully to the inquiries of the Company's successor accountant, WeiserMazars, concerning the subject matter of such disagreement. There were no other disagreements with Warren Averett on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of Warren Averett, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its reports. In addition, during that time there were no "reportable events" as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

The audit report of Warren Averett on the Company's consolidated financial statements for the fiscal year ended January 31, 2014 did not contain an adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles. The audit report of Warren Averett on the Company's consolidated financial statements for the fiscal year ended January 31, 2014 contained an unqualified opinion with an emphasis of a matter. The audit report of Warren Averett on the Company's consolidated financial statements for the fiscal year ended January 31, 2013 contained an opinion with an emphasis of a matter regarding the Company's ability to continue as a going concern, which opinion was subsequently amended to remove such emphasis.

Warren Averett furnished the Company with a letter addressed to the SEC indicating that it agrees with the foregoing statements, except for certain statements with respect to which Warren Averett is not in a position to agree or disagree. A copy of this letter was filed as Exhibit 16.1 to the Company's Current Report on Form 8-K filed on July 21, 2014.

During the fiscal years ended January 31, 2013 and January 31, 2014, neither the Company, nor anyone on its behalf, consulted with WeiserMazars regarding either: (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's consolidated financial statements, in connection with which either a written report or oral advice was provided to the Company that WeiserMazars concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either subject of a "disagreement" (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a "reportable event" (as described in Item 304(a)(1)(v) of Regulation S-K).

### ***Brazil***

As reported by the Company's Current Report on Form 8-K filed on July 28, 2014, on July 23, 2014, ACAL Consultoria e Auditoria S/S Ltda. ("ACAL"), the independent registered public accounting firm for the Company's former Brazilian subsidiary, Lake do Brasil Industria E Comercio de Roupas E Equipamentos de Protecao Individual LTDA ("Lakeland Brazil"), resigned effective with the engagement of Mazars Auditores Independentes S.S ("Mazars Brazil") on the same date as Lakeland Brazil's new independent registered public accounting firm. This change of independent registered public accountants was approved by our Audit Committee.

During the fiscal years ended January 31, 2013 and January 31, 2014, there were no disagreements with ACAL on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of ACAL, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report. In addition, during that time there were no "reportable events" as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

The audit report of ACAL on Lakeland Brazil's financial statements for the fiscal year ended January 31, 2014 did not contain an adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles. The audit report of ACAL on the Lakeland Brazil's financial statements for the fiscal year ended January 31, 2014 contained an unqualified opinion with an emphasis of a matter regarding certain tax matters. The audit report of ACAL on the Lakeland Brazil's financial statements for the fiscal year ended January 31, 2013 contained an unqualified opinion with an emphasis of a matter regarding Lakeland Brazil's ability to continue as a going concern.

ACAL furnished the Company with a letter addressed to the SEC indicating that it agrees with the foregoing statements, except for certain statements with respect to which ACAL is not in a position to agree or disagree. A copy of this letter was filed as Exhibit 16.1 to the Company's current report on Form 8-K filed on July 28, 2014.

During the fiscal years ended January 31, 2013 and January 31, 2014, neither the Company, nor anyone on its behalf, consulted with Mazars Brazil regarding either: (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on Lakeland Brazil's financial statements, in connection with which either a written report or oral advice was provided to the Company that Mazars Brazil concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either subject of a "disagreement" (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a "reportable event" (as described in Item 304(a)(1)(v) of Regulation S-K).

### *China*

As reported by the Company in its Current Reports on Form 8-K filed on each of February 5, 2015 and March 26, 2015, Lakeland was informed by RSM China (Shanghai) ("RSM China"), the former auditors of the Company's China subsidiary Weifang Lakeland Safety Products Co., Ltd. ("Lakeland China"), that RSM China has merged its practice with Ruihua Certified Public Accountants ("Ruihua CPA"). As a result of the merger, Ruihua CPA, as the successor to RSM China, became the auditors for Lakeland China on whom the Company's independent registered public accounting firm has expressed reliance in its report.

During the fiscal years ended January 31, 2013 and January 31, 2014, and thereafter prior to the merger, neither the Company, nor anyone on its behalf, consulted with Ruihua CPA regarding either: (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's consolidated financial statements or Lakeland China's financial statements, in connection with which either a written report or oral advice was provided to the Company that Ruihua CPA concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a "disagreement" (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a "reportable event" (as described in Item 304(a)(1)(iv) of Regulation S-K).

On March 3, 2015, the Company was advised by Ruihua CPA that the firm's policy (the "Policy") prohibited a principal accountant from placing reliance on Ruihua CPA's work, making reference to that effect in the principal accountants' report and filing Ruihua CPA's separate report in an annual report on Form 10-K or any other public filing.

As a result of this Policy, on March 20, 2015, the Company dismissed Ruihua CPA as the auditors for Lakeland China. The decision to dismiss Ruihua CPA was made and approved by the Audit Committee. In light of the abbreviated period of time for which Ruihua CPA was the auditors of Lakeland China, Ruihua CPA did not audit the financial statements of Lakeland China or issue any report for the fiscal year ended January 31, 2015. Ruihua CPA, as the successor firm to RSM China (Shanghai), has reissued its report for the fiscal year ended January 31, 2014.

During the fiscal years ended January 31, 2013 and January 31, 2014 and during the period from February 1, 2015 to the date of dismissal, there were no disagreements with Ruihua CPA or RSM China (Shanghai) on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of Ruihua CPA or RSM China (Shanghai), would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report. In addition, during that time there were no "reportable events" as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

Ruihua CPA furnished the Company with a letter addressed to the SEC indicating that it agrees with the foregoing statements, except for certain statements with respect to which Ruihua CPA is not in a position to agree or disagree. A copy of this letter was filed as Exhibit 16.1 to the Company's Current Report on Form 8-K filed on March 25, 2015.

Effective as of March 20, 2015, the Audit Committee engaged Shanghai Mazars Certified Public Accountants ("Mazars China") as the new independent registered public accountants of Lakeland China and Lakeland (Beijing) Safety Products Co., Ltd ("Beijing").

During the fiscal years ended January 31, 2013 and January 31, 2014 and through the interim period preceding the engagement of Mazars China, neither the Company, nor anyone on its behalf, consulted with Mazars China regarding either: (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on Lakeland China's and Beijing's financial statements, in connection with which either a written report or oral advice was provided to the Company that Mazars China concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a "disagreement" (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a "reportable event" (as described in Item 304(a)(1)(v) of Regulation S-K).

## AUDIT COMMITTEE REPORT

The following is the report of the Audit Committee of the Board of Directors of Lakeland Industries, Inc., describing the Audit Committee's responsibilities and practices, specifically with respect to matters involving Lakeland's accounting, auditing, financial reporting and internal control functions. Among other things, the Audit Committee reviews and discusses with management and with Lakeland's independent registered public accounting firm the results of Lakeland's year-end audit, including the audit report and audited financial statements. The members of the Audit Committee of the Board are presenting this report for the fiscal year ended January 31, 2016.

The Audit Committee acts pursuant to a written charter that was originally adopted by the Board in 2001. The Nominating and Governance Committee and the Board consider membership of the Audit Committee annually. The Audit Committee reviews and assesses the adequacy of its charter annually. The Audit Committee held six meetings during the fiscal year ended January 31, 2016.

All members of the Audit Committee are independent directors, qualified to serve on the Audit Committee pursuant to the applicable Nasdaq Marketplace Rules. In accordance with its charter, the Audit Committee oversees accounting, financial reporting, internal control over financial reporting, financial practices and audit activities of Lakeland and its subsidiaries. The Audit Committee provides advice, counsel, and direction to management and the independent registered public accounting firm, based on the information it receives from them. The Audit Committee relies, without independent verification, on the information provided by Lakeland and on the representations made by management that the financial statements have been prepared with integrity and objectivity, on the representations of management, and the opinion of the independent registered public accounting firm that such financial statements have been prepared in conformity with accounting principles generally accepted in the United States, or GAAP.

In connection with its review of Lakeland's audited financial statements for the fiscal year ended January 31, 2016, the Audit Committee reviewed and discussed the audited financial statements with management and discussed with WeiserMazars, Lakeland's independent registered public accounting firm, the matters required to be discussed by PCAOB standards. The Audit Committee received the written disclosures and the letter from WeiserMazars required by the applicable requirements of the PCAOB and discussed with WeiserMazars its independence from Lakeland. The Audit Committee has also considered whether the provision of certain permitted non-audit services by WeiserMazars is compatible with their independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in Lakeland's Annual Report on Form 10-K for its fiscal year ended January 31, 2016 for filing with the SEC.

During fiscal 2016, the Audit Committee met with management and Lakeland's independent registered public accountants and received the results of the audit examination, evaluations of Lakeland's internal controls and the overall quality of Lakeland's financial organization and financial reporting. The Audit Committee also meets at least once each quarter with Lakeland's independent registered public accountants and management to review Lakeland's interim financial results before the publication of Lakeland's quarterly earnings press releases. The Audit Committee believes that a candid, substantive and focused dialogue with the independent registered public accountants is fundamental to the committee's responsibilities. To support this belief, the Audit Committee meets separately with the independent registered public accountants without the members of management present on at least an annual basis.

The Audit Committee has established procedures for the receipt, retention and treatment of complaints received by Lakeland regarding accounting, internal accounting controls, or auditing matters, including the confidential, anonymous submission by Lakeland employees, received through established procedures, of concerns regarding questionable accounting or auditing matters. We have established a confidential email and hotline for employees to report violations of Lakeland's Code of Ethics or other company policies and to report any ethical concerns.

The information contained in this report shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Lakeland specifically incorporates it by reference into such filing.

***The Audit Committee:***

A. John Kreft (Chairman)

INDEPENDENT AUDITOR FEE INFORMATION

The Audit Committee appointed WeiserMazars as the independent registered public accounting firm to audit the fiscal 2016 financial statements.

Fees billed for services by WeiserMazars in fiscal 2016 and 2015 are as follows:

	WeiserMazars LLP Fiscal 2016	WeiserMazars LLP Fiscal 2015
Audit Fees	\$ 500,896	\$ 147,871
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total	\$ 500,896	\$ 147,871

**Audit Fees**

Includes fees billed for professional services rendered for audit of our annual financial statements in compliance with Section 404 of the Sarbanes-Oxley Act of 2002 and review of financial statements included in our Forms 10-Q and other filings with the SEC.

**Audit-Related Fees**

Includes certain services that are reasonably related to the performance of the audit or review of Lakeland's consolidated financial statements. There were no such fees in fiscal 2016 or 2015.

**Tax Fees**

Includes tax preparation including audits, quarterly estimates and resolutions of various notices from taxing authorities. There were no such fees in fiscal 2016 or 2015.

**All Other Fees**

Includes fees billed for services not classified in any of the above categories. There were no such fees in fiscal 2016 or 2015.

#### Audit Committee Pre-Approval Policy

In accordance with applicable laws and regulations, the Audit Committee reviews and pre-approves any non-audit services to be performed by our independent registered public accounting firm to ensure that the work does not compromise their independence in performing their audit services. The Audit Committee generally also reviews and pre-approves all audits, audit related, tax and all other fees, as applicable. In some cases, pre-approval may be provided by the full committee for up to a year, and relates to a particular category or group of services and is subject to a specific budget and SEC rules. In other cases, the chairman of the Audit Committee has the delegated authority from the committee to pre-approve additional services, and such pre-approvals are then communicated to the full Audit Committee at its next meeting.

## CORPORATE GOVERNANCE

### Director Independence

Our Board is currently composed of five directors. Effective July 8, 2015, we reduced our Board from seven to five directors to save costs. The Board believes that has operated efficiently and can continue to operate effectively at this new size. As required under the Marketplace Rules of the Nasdaq Stock Market LLC (“Nasdaq”), a majority of the members of a Nasdaq listed company’s board of directors must qualify as “independent,” as affirmatively determined by our Board. Our Board consults with our counsel, as necessary, to ensure that the Board’s determinations are consistent with all relevant securities and other laws and regulations regarding the definition of “independent,” including those set forth in pertinent Nasdaq Marketplace Rules, as in effect from time to time.

Consistent with these considerations, after review of all relevant transactions or relationships with each director, or any of his or her family members, our Board has affirmatively determined that, other than Christopher J. Ryan, our Chief Executive Officer, President and Secretary, and Stephen M. Bachelder, our Chief Operating Officer, each member of our Board is an independent director for purposes of the Nasdaq Marketplace Rules. The Board has also determined that Mr. James M. Jenkins, who is nominated for election at the Annual Meeting, meets the independence criteria of the Nasdaq Marketplace Rules. In making this determination, the Board found that none of these directors or nominees for director has a direct or indirect material or other disqualifying relationship with us, which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board holds executive sessions of its independent directors when it deems necessary but at least once per year.

### Board and Committee Meetings and Attendance

The Board has three standing committees: an Audit Committee, a Compensation Committee, and a Nominating and Governance Committee. Each of these committees operates under a written charter adopted by the Board. Copies of these charters are available on our website at [www.lakeland.com](http://www.lakeland.com) under the headings Investor Relations-Financial Information-“Lakeland Board Committee Charters and Governance Guidelines.” Board committee charters are also available in print to stockholders upon written request, addressed to the Corporate Secretary, at 3555 Veterans Memorial Highway, Suite C, Ronkonkoma, New York 11779.

During the fiscal year ended January 31, 2016, there were nine (9) meetings of the Board of Directors; six (6) meetings of the Audit Committee; one (1) meetings of the Compensation Committee; and one (1) meeting of the

Nominating and Governance Committee. Each director attended at least 75% of the aggregate number of meetings of the Board and all committees on which he served during the period for which he was a director or committee member, respectively, during fiscal year ended January 31, 2016.

### **Audit Committee**

During fiscal 2016, our Audit Committee consisted of A. John Kreft (Chairman), Duane Albro and Thomas McAteer. The Board annually reviews the definition of independence for Audit Committee members and has determined that all members of our Audit Committee are independent (as independence is currently defined under applicable Nasdaq Marketplace Rules). Our Board has determined that Mr. Kreft is an “audit committee financial expert,” as such term is defined in applicable rules of the SEC based upon, among other things, his MBA in finance from the Wharton School of Business, four and a half years’ experience with two “Big 4” accounting firms, eighteen years of investment banking, underwriting and advisory services experience with several brokerage firms such as Credit Suisse and Alex Brown and three years as Chief Executive Officer of a NASD broker dealer. Mr. Kreft has held five levels of security licenses at various times including General Securities Principal.

The formal report of our Audit Committee is included in this proxy statement. The Audit Committee’s responsibilities include, among other things:

- the oversight of the quality of our consolidated financial statements and our compliance with legal and regulatory requirements;
- the selection, evaluation and oversight of our independent registered public accountants, including conducting a review of their independence, determining their fees, overseeing their audit work, and reviewing and pre-approving any non-audit services that may be performed by them;
- the oversight of annual audit and quarterly reviews, including review of our consolidated financial statements, our critical accounting policies and any material related-party transactions and the application of accounting principles; and
- the oversight of financial reporting process and internal controls, including a review of the adequacy of our accounting and internal controls and procedures.

## Compensation Committee

During fiscal 2016, our Compensation Committee consisted of Thomas McAteer (Chairman), Duane Albro and A. John Kreft, each of whom is an independent director (as independence is currently defined under applicable Nasdaq Marketplace Rules). Our Compensation Committee's role includes setting and administering the policies governing the compensation of executive officers, including cash compensation and equity incentive programs, and reviewing and establishing the compensation of the Chief Executive Officer and other executive officers. Our Compensation Committee's principal responsibilities, which have been authorized by the Board, are:

- approving the compensation for the Chief Executive Officer and other executive officers (after considering the recommendation of our Chief Executive Officer with respect to the form and amount of compensation for executive officers other than the Chief Executive Officer);
- evaluating the level and form of compensation for Board of Director and committee service by non-employee members of our Board and recommending changes when appropriate;
  - approving the amount of and vesting of equity awards;
- advising the Board on our compensation and benefits matters, including making recommendations and decisions where authority has been granted regarding our equity-based compensation plans and benefit plans generally, including employee bonus and retirement plans and programs; and
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