LIFETIME BRANDS, INC
Form DEF 14A
April 21, 2016
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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 x 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))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Under Rule 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):

x 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 2016 Annual Meeting

***and* Proxy Statement**

June 9, 2016 Garden City, New York

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MESSAGE FROM THE CHAIRMAN AND CEO

Dear Fellow Stockholder:

I invite you to attend our 2016 Annual Meeting of Stockholders on Thursday, June 9, 2016 at 10:30 a.m. Eastern Time, at our office, located at 1000 Stewart Avenue, Garden City, New York 11530.

At the Annual Meeting, you will be asked to elect a board of ten directors; to cast a vote to ratify the appointment of our independent registered public accounting firm; and to approve an amendment to our Certificate of Incorporation to increase the number of shares of authorized common stock. 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, not to mention that 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 our Proxy Statement and our Annual Report for the fiscal year ended December 31, 2015.

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
Chief Executive Officer
April 21, 2016

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

June 9, 2016, 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 9, 2016 at 10:30 a.m., Eastern Time, for the following purposes:

(1) To elect a board of directors consisting of ten directors to serve until the next Annual Meeting of Stockholders or until their 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 2016;

(3) To approve an amendment to Article Fourth of the Second Restated Certificate of Incorporation of the Company to increase the Company s authorized common stock from 25,000,000 shares to 50,000,000 shares; and

(4) To transact such other business as may properly come before the meeting, or any adjournment(s) or postponement(s) thereof.

Stockholders of record at the close of business on April 18, 2016 are entitled to notice of and to vote at the Annual Meeting and any adjournment(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 21, 2016

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PROXY SUMMARY

2015 Highlights

In 2015, net sales in the Company s U.S. wholesale segment grew by 3.9%. Sales of kitchenware, tableware and home solutions products all rose, with a particularly strong increase in our home décor product category. The strength in the Company s U.S. operations was offset by currency challenges in the U.K., where our businesses were adversely affected by the weakness of the British pound relative to the dollar, which on a relative basis increased cost of goods, which are sourced in dollars, and by the weakness of the euro relative to the pound, which hurt export sales. Nevertheless, improved operating margins produced a 5.5% increase in consolidated EBITDA, which grew to $44.9 million.

In the fourth quarter of 2015, with the assistance of a major international consulting firm, we began an in-depth review of Lifetime s U.S. wholesale businesses to ensure that we have the right structure to grow and thrive in today s complex business environment. This review will serve as a blueprint to right size Lifetime s expense base, realign our operating structure and redirect our operating activities to increase our efficiency and effectiveness. When fully implemented, we believe our business will be in a stronger position to achieve future growth and improved profitability.

To succeed with today s consumers, housewares manufacturers need to deliver improved performance, expanded function and great design. The wide array of new products we offered clearly showed that Lifetime is leading this effort, keeping ahead of the curve on the ever-evolving kitchenware industry. While we believe that our strong position with major retailers in the U.S. and the U.K., our expanding footprint with independent retailers world-wide and the breadth of new product offerings should enable us to grow at an accelerated pace, we are mindful of the risks posed by the possibility of some weakness in the U.S. retail sector, continued foreign exchange challenges and economic uncertainty in some key international markets.

VOTING MATTERS & BOARD RECOMMENDATIONS

Proposal No.	*Proposal*	*Board Recommends*
1	To elect a board of directors consisting of ten directors to serve until the next Annual Meeting of Stockholders or 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 2016	**FOR**
3	To approve an amendment to Article Fourth of the Second Restated Certificate of Incorporation of the Company to increase the Company s authorized common stock from 25,000,000 shares to 50,000,000 shares	**FOR**

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BOARD NOMINEES AND COMMITTEE ASSIGNMENTS

There are 10 Director nominees for election at our 2016 Annual Meeting, to hold office until the next Annual Meeting and until their successors have been duly elected and qualified. All of the nominees were elected to the board of directors (the Board) at the last Annual Meeting and are currently serving as Directors of the Company, except for Ms. Sara Genster Robling who was appointed to the Board in January 2016. Ms. Robling was initially identified as a potential nominee by an executive search firm retained by the Company and recommended for nomination by the Nominating & Corporate Governance Committee. Mr. David Dangoor is not standing for re-election.

Name	*Age*	*Main Occupation*	*Joined Board*	*Committee Assignment*
Jeffrey Siegel	73	Chairman/CEO, Lifetime Brands, Inc.	1967	SP
Ronald Shiftan	71	Vice Chairman/COO, Lifetime Brands, Inc.	1984	
Michael J. Jeary	69	President, Laughlin Constable	2005	Nom/Gov, SP (Chair), Comp
John Koegel*	64	Principal, Jo-Tan, LLC	2008	Nom/Gov (Chair), SP, Comp
Craig Phillips	65	Retired, Senior VP - Distribution[1], Lifetime Brands, Inc.	1974	
Cherrie Nanninga	67	Partner, Real Estate Solutions Group	2003	Nom/Gov, Audit, Comp (Chair)
Dennis E. Reaves	73	Consultant	2013	Nom/Gov, SP
Michael J. Regan	74	Retired Certified Public Accountant	2012	Nom/Gov, Audit
Sara Genster Robling	59	Principal, Robling Advisors, LLC	2016	Nom/Gov, SP
William U. Westerfield	84	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

* Lead Independent Director

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

CORPORATE GOVERNANCE PRACTICES

Our integrated suite of corporate governance practices includes the following:

- a majority voting 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,
- stock ownership anti-hedging provisions, and
- our strong corporate citizenship, including our donation practices, our partnership with organizations such as WhyHunger 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 IN THE ACCOMPANYING REPLY ENVELOPE. STOCKHOLDERS WHO ATTEND THE MEETING 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 9, 2016

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 18, 2016 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 2, 2016.

THE MEETING

On April 18, 2016, there were 14,223,442 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 will be voted at the Meeting in accordance with the directions marked on the proxies, unless such proxies have previously been revoked. If no directions are indicated on such proxies, 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 2016 and FOR Proposal 3 the approval of an amendment to Article Fourth of the Second Restated Certificate of Incorporation of the Company to increase the Company s authorized common stock from 25,000,000 shares to 50,000,000 shares. 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. 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 represented at the Meeting, in person or by proxy, 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) the affirmative vote of a plurality of the shares so represented is necessary for the election of directors, (2) the affirmative vote of a majority of the shares so represented is necessary to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm and (3) the affirmative vote of a majority of the shares of the Company s common stock issued and outstanding as of the record date is necessary to approve an amendment to Article Fourth of the Second Restated Certificate of Incorporation of the Company to increase the number of shares of authorized common stock.

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

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

If a stockholder, present in person or by proxy, abstains on a matter, such stockholder s shares of common stock, although included in the quorum, will not be voted on such matter. Thus, an abstention from voting on either Proposal 2 or 3 has the same legal 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 rules prohibit brokers from voting on Proposal 1 without receiving instructions from the beneficial owner of the shares. Brokers may vote on Proposal 2 and Proposal 3 absent instructions from the beneficial owner.

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

In determining whether a proposal has received the requisite number of votes, broker non-votes will have no effect on the outcome of the vote on a proposal that requires a plurality of votes cast (Proposal 1) and will have the same effect as a vote against a proposal that requires the affirmative vote of a majority of the outstanding shares (Proposal 3).

HOW TO VOTE

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

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

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. Upon receipt by our Board of such resignation, our Board shall, in its sole judgment and discretion, within 90 days from the submission of such director s resignation as a director of the Company, determine whether to accept or reject such director s resignation. If our Board rejects such director s resignation as a director of the Company, then we shall prepare and file a Form 8-K to explain our Board s rationale for its rejection of such director s resignation.

PROXY SOLICITATION

We will bear the cost of preparing, printing, assembling and mailing the proxy, this Proxy Statement and other material that may be sent to stockholders in connection with this solicitation. We have retained Georgeson, Inc., a proxy solicitation firm, at an estimated cost of $7,500 plus reimbursement of expenses, to assist in soliciting proxies from brokers, banks, nominees, and institutional holders. Georgeson, Inc. may solicit votes personally or by telephone, mail or electronic means.

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 18, 2016 (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	1,395,290 (2)	9.55%
Craig Phillips	687,973 (3)	4.84
Daniel Siegel	409,475 (4)	2.86
Ronald Shiftan	371,022 (5)	2.57
Laurence Winoker	173,122 (6)	1.20
Michael J. Jeary	73,255 (7)	
David E. R. Dangoor	56,885 (8)	
Cherrie Nanninga	52,255 (9)	
William U. Westerfield	34,937 (10)	
John Koegel	26,740	

Michael J. Regan	13,789	
Dennis E. Reaves	8,213	
Sara Genster Robling	1,674	
All directors and executive officers as a group (13 persons)	3,304,630	21.82

Name of beneficial owner	*Number of shares beneficially owned*	*Percent of shares beneficially owned*
Wellington Management Group LLP 280 Congress Street Boston, Massachusetts 02210	1,880,789 (11)	13.22
Mill Road Capital II, L.P. 382 Greenwich Avenue, Suite One Greenwich, Connecticut 06830	1,439,929 (12)	10.12
Wellington Trust Company, NA c/o Wellington Management Company LLP 280 Congress Street Boston, Massachusetts 02210	1,190,197 (13)	8.37
Dimensional Fund Advisors LP 6300 Bee Cave Road	1,151,883 (14)	8.10

Austin, Texas 78746

Notes:

* Calculated on the basis of 14,223,442 shares of common stock outstanding on April 18, 2016. 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 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) 1,006,613 shares owned directly by Mr. Jeffrey Siegel, (ii) 1,010 shares owned by Mr. Siegel s wife, and (iii) 387,667 shares issuable upon the exercise of options which are exercisable within 60 days.

(3) Consists of: (i) 659,695 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) 323,225 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) 75,750 shares issuable upon the exercise of options which are exercisable within 60 days.

(5) Consists of: (i) 146,022 shares owned directly by Mr. Shiftan and (ii) 225,000 shares issuable upon the exercise of options which are exercisable within 60 days.

(6) Consists of: (i) 18,122 shares owned directly by Mr. Winoker and (ii) 155,000 shares issuable upon the exercise of options which are exercisable within 60 days.

(7) Consists of: (i) 48,255 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) 31,885 shares owned directly by Mr. Dangoor and (ii) 25,000 shares issuable upon the exercise of options that are exercisable within 60 days. Mr. Dangoor, currently a director, will not be standing for re-election at the 2016 Annual Meeting

(9) Consists of: (i) 27,255 shares owned directly by Ms. Nanninga and (ii) 25,000 shares issuable upon the exercise of options that are exercisable within 60 days.

(10) Consists of: (i) 3,369 shares owned directly by Mr. Westerfield and (ii) 31,568 shares held in a revocable trust for the benefit of Mr. Westerfield s wife.

(11) Based solely on the Amendment No. 1 to the Schedule 13G filed with the SEC on February 11, 2016. Represents shares of our common stock owned of record by clients of one or more investment advisers directly or indirectly owned by Wellington Management Group LLP (Wellington Management). Wellington Management, in its capacity as investment adviser, has shared voting power with respect to 1,414,971 shares and shared dispositive power with respect to 1,880,789 shares.

(12) Based solely on Form 4 filed with the SEC on February 23, 2016. Represents shares of our common stock 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, 1,439,929 shares of our common stock. 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 of our common stock 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 1,439,929 shares of common stock, and the MR Reporting Persons beneficially own, in the aggregate, 1,439,929 shares of common stock. Each of the MR Reporting Persons disclaims beneficial ownership of such shares except to the extent of his or its pecuniary interest therein, if any.

(13) Based solely on the Amendment No. 1 to the Schedule 13G filed with the SEC on February 11, 2016. Represents shares of our common stock owned of record by clients of Wellington Trust Company, NA (Wellington Trust). Wellington Trust, in its capacity as investment adviser, has shared voting and dispositive power with respect to 1,190,197 shares.

(14) Based solely on Amendment No. 7 to the Schedule 13G filed with the SEC on February 9, 2016. 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 1,119,589 shares and shared dispositive power with respect to 1,151,883 shares. As stated in Amendment No. 7 to the Schedule 13G filed with the SEC on February 9, 2016, 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 (collectively, Dimensional) 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. However, all securities reported in the Schedule 13G filed with the SEC on February 9, 2016 are owned by the Funds. Dimensional disclaims beneficial ownership of such securities.

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Proposal No. 1

ELECTION OF DIRECTORS

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

Director Nominees

Jeffrey Siegel is Chairman of our Board and our Chief Executive Officer. 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 since December 2000. 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. 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 is a director of Vasconia and GS Internacional S/A (GSI), a wholesale distributor of branded housewares products in Brazil, in which we have a 40% equity ownership.

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.

Michael J. Jeary is 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 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.

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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. Since 2002, Mr. Reaves has served as a senior consultant to leading retailers, such as Big Lots, Inc. and Gap, Inc., and to multinational consumer products companies, including Jarden Corporation.

Michael J. Regan is a retired certified public accountant. From 1996 to 2002, Mr. Regan was the Vice Chairman and Chief Administrative Officer of KPMG LLP, a leading independent public accounting firm, and was the lead audit partner for many Fortune 500 companies during his 40-year tenure with KPMG (1962 to 2002). Mr. Regan currently is a director of Scientific Games Corporation, an entertainment and media company (since 2006). Mr. Regan previously served on the boards of directors of DynaVox, Inc. and Citadel Broadcasting Corporation. 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 s Soup Company, including Vice President and General Manager of Global Beverages, and was a Marketing Manager at Kraft. Ms. Robling currently serves as non-executive Chairman of Plated, the venture-backed e-commerce platform that provides a premium cook-at-home dinner experience (since 2014).

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 Trustees of Arcadia University and of the Board of American Friends of the National Museum of Bermuda. 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 Chief Executive Officer; 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.
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.
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	Distinguished 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	Distinguished career 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	Distinguished 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 product industry.
William U. Westerfield	Distinguished 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.

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 intend to vote for such other person or persons as the Board may nominate.

Our Board 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	73	Chairman of the Board; Chief Executive Officer
Ronald Shiftan	71	Vice Chairman of the Board; Chief Operating Officer
Daniel Siegel	46	President
Laurence Winoker	60	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 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 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 and GSI. Mr. Siegel is the son of Jeffrey Siegel, Chairman of our Board and our Chief Executive Officer.

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, Dennis E. Reaves, Sara Genster Robling, Michael J. Regan and William U. Westerfield are independent directors under the listing standards of The NASDAQ Stock Market, LLC. Jeffrey Siegel and Ronald Shiftan are our employees and are not considered to be independent directors. Craig Phillips was one of our employees within the last three years, until his retirement in January 2015, and is not considered to be an independent director. Our Board has also determined that David E. R. Dangoor, who is not standing for re-election this year, is an independent director.

BOARD LEADERSHIP STRUCTURE

Jeffrey Siegel serves as Chairman of our Board and our Chief Executive Officer. 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 lead independent director. The duties of the lead independent 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;

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- 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 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 lead director.

Our Board is currently composed of eleven directors, eight of whom are independent of the Company. Seven of our independent directors will stand for re-election in 2016. 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 lead independent 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 to our Board. For purpose of the 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 (including holding requirements until ownership levels are achieved) 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 multiple of base salary. The Chief Executive Officer 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 current base salary.

BOARD OVERSIGHT OF RISK

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

CODE OF ETHICS

We have adopted a Code of Ethics, as supplemented by a Code of Conduct, which applies to all of our directors, officers (including our Chief Executive Officer, 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 2015 Annual Meeting of Stockholders. Directors are expected, but not required, to attend the Annual Meeting of Stockholders. Our Board holds meetings on at least a quarterly basis and more often, if necessary, to fulfill its responsibilities. Our Board held six regularly scheduled meetings during the fiscal year ended December 31, 2015. During the 2015 fiscal year, each director attended a minimum of 75% of the meetings of the Board and committees on which the director served.

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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 background 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 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. Therefore, when the number of director nominees exceeds the number of board seats, a plurality voting standard shall apply. Any director elected by a plurality voting standard, as provided for in our Bylaws, at an annual meeting of our stockholders in an uncontested election that does not receive a majority of the votes cast at such annual meeting shall submit his or her resignation to our Board. 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 all eight of our independent directors: John Koegel (Chair), David E. R. Dangoor, Michael J. Jeary, Cherrie Nanninga, Dennis E. Reaves, Michael J. Regan, Sara Genster Robling and William U. Westerfield. The Nominating and Governance Committee held four meetings in 2015.

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;
- 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.

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STOCKHOLDER NOMINATION PROCESS

Although our Nominating and Governance Committee has not adopted a policy on stockholder nominations of director candidates, under our Bylaws, any stockholder of record (both as of the time notice of such nomination is given and as of the record date) of the Company who is entitled to vote at a meeting may nominate candidates for election as directors. Any such stockholder who seeks to make such a nomination, or its representative, must be present in person at the meeting. Notice of nomination must be given in writing and delivered to, or mailed and received by our Secretary, not earlier than the close of business on the 120th calendar day and not later than the close of business on the 90th calendar day prior to the one-year anniversary of the prior year s annual meeting. In the case of a special meeting of stockholders called in accordance with our Bylaws for the purpose of electing directors, or in the event that the annual meeting of stockholders is called for a date that is more than 30 calendar days before or more than 60 calendar days after the on year anniversary of the prior year s annual meeting, or if the Corporation did not hold an annual meeting (or special meeting in lieu of an annual meeting) in the preceding fiscal year, notice by the stockholder to be timely must be so delivered, or mailed and received, not later than the later of the close of business on the 90th calendar day prior to the scheduled date of such stockholders meeting or the close of business on the 10th calendar day following the day on which public disclosure of the date of such stockholders meeting was first made (or if that day is not a business day for the Corporation, on the next succeeding business day). The form of the notice must include the requirements in Section 2.9 of our Bylaws.

There are no differences in the manner in which our Nominating and Governance Committee evaluates a candidate for director, whether an individual is recommended by a stockholder or otherwise.

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 four directors, each of whom is independent, as required by the Audit Committee charter, the Securities Exchange Act of 1934 and the listing requirements for The NASDAQ Stock Market, LLC and the SEC rules. The current members are William U. Westerfield (Chair), David E. R. Dangoor, 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 2015.

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.

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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 six directors. The current members are Michael J. Jeary (Chair), John Koegel, David E. R. Dangoor, Dennis E. Reaves, Sara Genster Robling and Jeffrey Siegel. Our Strategic Planning Committee held three meetings in 2015.

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 six meetings during 2015.

Our Compensation Committee advises our Board with respect to our compensation practices and administers our 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 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 Chief Executive Officer and Chief Operating Officer, the performance of the other executive officers and all direct reports of 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.

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

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	$30,000
Restricted Common Stock	$50,000
Total	$80,000

Committee Chair Annual Retainer

Chair of Audit or Compensation Committee	$20,000
Chair of Nominating/Governance or Strategic Planning Committee	$10,000

Committee Member Annual Retainer	$2,000
Lead Director Annual Retainer	$30,000
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 2015:

Name	**Fees earned or paid in cash**	**Stock awards** [1]	**Total**
Cherrie Nanninga	$73,000	$50,000	$123,000
William U. Westerfield	68,000	50,000	118,000
John Koegel	92,500	50,000	142,500
Michael J. Jeary	62,500	50,000	112,500
David E. R. Dangoor [2]	53,500	50,000	103,500
Michael J. Regan	50,000	50,000	100,000
Dennis E. Reaves	49,500	50,000	99,500

Craig Phillips	42,000	50,000	92,000

Note:

(1) Consists of restricted stock awards valued at the closing market price of our common stock on the date of grant.

(2) Mr. Dangoor is not standing for re-election at the 2016 Annual Meeting.

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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, 2015:

Name	Restricted shares [1]	Vested stock options	Unvested stock options
Cherrie Nanninga	3,369	25,000	--
William U. Westerfield	3,369	--	--
John Koegel	3,369	--	--
Michael J. Jeary	3,369	25,000	--
David E. R. Dangoor [2]	3,369	25,000	--
Michael J. Regan	3,369	--	--
Dennis E. Reaves	3,369	--	--
Craig Phillips	3,369	--	--

Note:

(1) A total of 26,952 restricted shares were issued on June 10, 2015 and vest 100% on June 10, 2016.

(2) Mr. Dangoor is not standing for re-election at the 2016 Annual Meeting.

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 18, 2016.

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COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

We achieved certain financial and strategic goals during 2015. Our U.S. wholesale business grew by 3.9% and was partially offset by currency challenges in the U.K.

Our highlights for 2015 included the following:

- Net sales were $587.7 million in 2015, as compared to net sales of $586.0 million in 2014.
- Income from operations grew 13% to $24.2 million in 2015 from $21.4 million in 2014.
- Income before income taxes and equity in earnings grew 31.7% to $18.3 million in 2015 from $13.9 million in 2014.
- Net income grew over seven times to $12.3 million in 2015, as compared to net income of $1.5 million in 2014.

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 financial results and executive compensation.

In 2011 and 2014, our Board provided stockholders with the opportunity to cast an advisory vote on executive compensation. We received overwhelming support from our stockholders on the advisory vote in both 2011 and 2014. At the Company s Annual Meeting of Stockholders held on June 16, 2011, approximately 97.8% of the shares present at the meeting voted to approve the compensation of our named executive officers. At our Annual Meeting of Stockholders held on June 19, 2014, approximately 92.5% of the shares present at the meeting voted to approve 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 along with a Say on Pay Frequency vote will occur at our Annual Meeting of Stockholders in 2017. 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 ;
- 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 performance-based compensation of our Chief Executive Officer and Chief Operating Officer amounted to 55% and 44%, respectively, of their total compensation for 2015.

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Our Compensation Committee uses its judgment in allocating compensation between long- and short-term incentives and cash and non-cash components. Although long-term incentive is considered of great significance in aligning performance with stockholder interests, it has traditionally been a smaller component of aggregate compensation.

The following charts indicate the elements and mix of compensation of our Chief Executive Officer and all other NEOs for 2015:

Chief Executive Officer - 2015 Compensation

All Other Named Executive Officers (Average) - 2015 Compensation

Note:

(1) This figure includes restricted stock, performance based share awards and Non-Equity Incentive Plan Compensation.

(2) As permitted by our 2000 Long-Term Incentive Plan, approximately 60% of the non-equity incentive plan compensation payable to our Chief Executive Officer and all other named executive officers, in respect of fiscal year 2015, was paid in the form of shares of our common stock at the closing price therefor on the date of grant.

(3) This figure includes restricted stock, performance based share awards and Non-Equity Incentive Plan Compensation and excludes restricted stock and option awards granted pursuant to Ronald Shiftan s employment agreement dated November 24, 2015, as this is not considered to be an annual grant practice.

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Our Compensation Committee has the authority to review and approve compensation principles that apply generally to our executive and senior employees. Our Compensation Committee reviews corporate goals and objectives relevant to the compensation of our 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 Chief Executive Officer and our Chief Operating Officer relevant to the compensation of all other executive officers and all direct reports of the Chief Executive Officer and Chief Operating Officer. Based primarily on the evaluations and recommendations of our 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 relies on reports of its independent compensation consultant, 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.

Our named executive officers (NEOs) are:

- ***Jeffrey Siegel***, Chairman of our Board, Chief Executive Officer 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

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 equity and market parity. It also provides compensation benchmark 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, based on its own analysis, 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 the analysis 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. In 2015, Pearl Meyer provided competitive data and a market analysis, which was used by our Compensation Committee in evaluating executive compensation.

ELEMENTS OF NEO COMPENSATION

Salary

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

The salaries of Jeffrey Siegel and Ronald Shiftan are fixed by employment agreements that were negotiated between Messrs. Siegel 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 and Shiftan were taken into account by our Compensation Committee in determining their compensation.

In determining Mr. Siegel s 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. Shiftan s 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 salaries of Daniel Siegel and Laurence Winoker are also set forth in their employment agreements with us. 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. Cash bonuses were awarded to Messrs. Jeffrey Siegel, Shiftan, Daniel Siegel and Winoker pursuant to the Company s Amended 2000 Incentive Bonus Compensation Plan (the

Amended 2000 Bonus Plan).

The purpose of the Amended 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 specified 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) so that we will be entitled to a tax deduction for the payment of such incentive bonus awards to the designated participants.

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

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In determining to use Adjusted IBIT as the performance measure for the purpose of the Amended 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 relied on Pearl Meyer as to benchmarks among our peer group of companies. Our Compensation Committee also relied on our annual budget, which was approved by our Board, in establishing the threshold, target and maximum bonus tied to achievement of these targets for the 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 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 in consultation with our Compensation Committee. The individual goals established for each of the NEOs for 2015 are discussed below. At the end of the fiscal year, Messrs. Jeffrey Siegel and Shiftan prepare written materials for our Compensation Committee with their assessments of whether their respective individual goals were achieved during the year. Our Compensation Committee reviews these materials and assesses independently the extent to which their individual goals were achieved.

As permitted by our 2000 Long-Term Incentive Plan, approximately 60% of the cash incentive compensation payable to Messrs. Jeffrey Siegel, Shiftan, Daniel Siegel and Winoker in respect of fiscal year 2015 was paid in the form of shares of our common stock at the closing price therefor on the date of grant.

As set forth in detail in the table below, the target performance metric for the 2015 fiscal year for Adjusted IBIT was $22.8 million. We achieved an Adjusted IBIT of $21.5 million for the 2015 fiscal year.

2015 Non-Equity Incentive Plan Metric and Achievement

Financial Metric	Threshold Performance Level	Target Performance Level	Maximum Performance Level	Actual Performance Achieved
Adjusted IBIT	$11.4 million	$22.8 million	$45.6 million	$21.5 million

Jeffrey Siegel

Jeffrey Siegel s employment agreement entitles him to receive (a) an Annual Adjusted IBIT Performance Bonus at a target of 100% of 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 2015). 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.

Mr. Siegel s employment agreement further entitles him to receive an Annual Individual Goal Bonus equal to 25% of his 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 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 2015 included: the integration of our European subsidiaries; the continued expansion of our international sales initiatives; the development of a comprehensive plan to capture the market share of millennial focused brands; an increase of our e-commerce presence; a reduction of the 2014 loss of the Home Décor business; an increase our margins through sourcing and division focus; leading the development of the Sabatier brand and; to update our executive succession plan. 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 2015, Mr. Siegel was awarded a total bonus of $1,194,812, based upon the attainment of the 2015 performance objectives. For the year ended December 31, 2015, the Adjusted IBIT amounted to $21.5 million, resulting in a payment of 94.5% 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	$625,000	$1,250,000	$2,250,000	1,194,812	95.6%
Individual	$125,000	$250,000	$250,000	$250,000	100%
Adjusted IBIT	$500,000	$1,000,000	$2,000,000	$944,812	94.5%

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 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 2015). 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 target bonus 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.

Mr. Shiftan s third amended and restated employment agreement further entitles him to receive an Annual Individual Goal Bonus equal to 15% of his 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 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.

Mr. Shiftan s individual goals for 2015 included: pursuing merger and acquisition opportunities for us; identifying and pursuing opportunities to manufacture products in North America; driving our benchmarking project with the goal of reducing Selling, General and Administrative expenses as a percentage