

LIFETIME BRANDS, INC
Form DEFR14A
May 09, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. 1)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement.
- Confidential, for the use of the Commission Only** (as permitted by Rule 14a-6(e)(2)).
- Definitive Proxy Statement.
- Definitive Additional Materials.
- Soliciting Material Pursuant to Section 240.14a-12.

LIFETIME BRANDS, INC.

(Name of Registrant as Specified in its Charter)

N/A

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

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- (1) Amount Previously Paid:

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- (3) Filing Party:

(4) Date Filed:

Explanatory Note

This amendment No. 1 to the Company's Definitive Proxy Statement filed April 30, 2012 is being filed to disclose subsequent events related to Proposal 3 in the original filing.

Subsequent to December 31, 2011, the Company cancelled options to purchase 4,750 shares of common stock and granted options to purchase 303,000 shares of common stock. As of May 2, 2012, 34,226 shares were available under the 2000 Long-Term Plan.

Except as otherwise expressly noted herein, this Amendment No. 1 does not modify or update in any way the Company's original Form DEF 14A as filed on April 30, 2012.

LIFETIME BRANDS, INC.

1000 Stewart Avenue

Garden City, New York 11530

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JUNE 13, 2012

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 Wednesday June 13, 2012 at 10:30 a.m., local time, for the following purposes:

- (1) To elect a board of nine 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;
- (3) To approve an amendment to the Company's 2000 Long-Term Incentive Plan to increase the number of shares of the Company's common stock which may be granted under the plan to 4,200,000;
- (4) To re-approve the performance criteria which may be utilized in establishing specific targets to be attained as a condition to the vesting of one or more stock-based awards under the Company's 2000 Long-Term Incentive Plan so as to qualify the compensation attributable to those awards as performance-based compensation under Section 162(m) of the Internal Revenue Code (the "Code");
- (5) To re-approve the performance criteria which has been and may continue to be utilized under the Company's 2000 Incentive Bonus Compensation Plan so as to qualify the payment of certain cash bonuses as performance-based compensation under Section 162(m) of the Code; and

(6) 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 May 1, 2012 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

May 2, 2012

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.

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LIFETIME BRANDS, INC.

1000 Stewart Avenue

Garden City, New York 11530

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

To be held on June 13, 2012

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*), for use at the Annual Meeting of Stockholders of the Company (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 May 1, 2012 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 11, 2012.

THE MEETING

On April 30, 2012, there were 12,438,393 shares of the Company's common stock, \$.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 Proposal 3 - to approve the amendment to the Company's 2000 Long-Term Incentive Plan (the *2000 Long-Term Plan*) to increase the number of shares of the Company's common stock which may be granted under the plan to 4,200,000, for Proposal 4 - to re-approve the performance criteria which may be utilized under the 2000 Long-Term Plan to qualify compensation attributable to certain awards as performance-based compensation under Section 162(m) of the Code, and for Proposal 5 - to re-approve the performance criteria of the Company's 2000 Incentive Bonus Compensation Plan (the *2000 Bonus Plan*) so as to qualify the payment of certain cash bonuses as performance-based compensation under Section 162(m) of the Code. 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 the Company's 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 the independent registered public accounting firm of the Company, (3) the affirmative vote of a majority of the shares so represented is necessary to approve the amendment to the 2000 Long-Term Plan to increase the number of shares of the Company's common stock which may be granted under the plan to 4,200,000, (4) the affirmative vote of a majority of the shares so represented is necessary to re-approve the performance criteria which may be utilized under the 2000 Long-Term Plan to qualify compensation attributable to certain awards

as performance-based compensation under Section 162(m) of the Code and (5) the affirmative vote of a majority of the shares so represented is necessary to re-approve the performance criteria of the Company's 2000 Bonus Plan so as to qualify the payment of certain cash bonuses as performance-based compensation under Section 162(m) of the Code.

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 nine 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 nine directors and stockholders may not cumulate votes on the election of directors.

With respect to Proposals 2, 3, 4 and 5, 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 Proposals 2, 3, 4 or 5 has the same legal effect as a vote against the matter. If you abstain from voting on Proposal 1, the abstention will not have an effect on the outcome of the vote.

Brokers or other nominees who hold shares of the Company's 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. If specific instructions are not received, brokers may not vote (1) to approve the amendment of the 2000 Long-Term Plan to increase the number of shares of the Company's common stock for which awards may be issued to 4,200,000, (2) to re-approve the performance criteria of the amended 2000 Long-Term Plan or (3) to re-approve the performance criteria of the 2000 Bonus Plan, resulting in a broker non-vote in each case. Broker non-votes will be counted for purposes of calculating whether a quorum is present at the Meeting but 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 otherwise affect the outcome of the vote on a proposal that requires a plurality of votes cast (Proposal 1) or the approval of a majority of the votes present in person or represented by proxy and entitled to vote (Proposal 2, 3, 4, and 5).

PROXY SOLICITATION

The Company will bear the cost of preparing, printing, assembling and mailing the proxy, this Proxy Statement and other material which may be sent to stockholders in connection with this solicitation. The Company has 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 the request of the Company. In addition to the solicitation of proxies by the use of mail, officers and other employees of the Company may solicit proxies personally, by telephone or by electronic means without being paid any additional compensation. The Company will reimburse such persons for their reasonable out-of-pocket expenses in accordance with the regulations of the Securities and Exchange Commission (SEC).

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of the Company's common stock as of April 30, 2012 (except where otherwise noted) based on a review of information filed with the SEC and the Company's stock records with respect to (i) each person known to be the beneficial owner of more than 5% of the outstanding shares of common stock, (ii) each Director or nominee for director of the Company, (iii) each executive officer of the Company, and (iv) all Directors, nominees and executive officers as a group.

Name and Address	Number of Shares Beneficially Owned*	% of Shares Beneficially Owned*
DIRECTORS AND EXECUTIVE OFFICERS (1)		
Jeffrey Siegel	1,249,965(2)	9.96%
Craig Phillips	864,720(3)	6.92
Ronald Shiftan	211,137(4)	1.68
Laurence Winoker	95,000(5)	
Michael Jeary	54,466(6)	
William U. Westerfield	49,466(7)	
Cherrie Nanninga	44,466(8)	
David E. R. Dangoor	43,096(6)	
John Koegel	34,951(6)	
NOMINEE FOR A DIRECTORSHIP (1)		
Michael J. Regan		
All directors, nominees, and executive officers as a group (10 persons)	2,647,267(9)	20.38
GREATER THAN 5% STOCKHOLDERS		
Goldman Capital Management, Inc.	750,100(10)	6.03
767 Third Ave. 25 th Fl.		
New York, NY 10017		
Grupo Vasconia, S.A.B.	670,643(11)	5.39

Av. 16 de Septiembre No. 31, Col. Santo Domingo, Azcapotzalco,

02160 Mexico

Notes:

- (*) Calculated on the basis of 12,438,393 shares of common stock outstanding on April 30, 2012. 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.
- (1) The address of such individuals is c/o the Company, 1000 Stewart Avenue, Garden City, New York 11530.
 - (2) Consists of (i) 1,133,955 shares owned directly by Mr. Siegel, (ii) 1,010 shares owned by Mr. Siegel's wife and (iii) 115,000 shares issuable upon the exercise of options which are exercisable within 60 days.
 - (3) Consists of (i) 776,692 shares owned directly by Mr. Phillips, (ii) 28,278 shares held in an irrevocable trust for the benefit of Mr. Phillips and (iii) 59,750 shares issuable upon the exercise of options which are exercisable within 60 days.
 - (4) Includes 144,750 shares issuable upon the exercise of options which are exercisable within 60 days.
 - (5) Consists of 95,000 shares issuable upon the exercise of options which are exercisable within 60 days.
 - (6) Includes 25,000 shares issuable upon the exercise of options which are exercisable within 60 days.
 - (7) Consists of (i) 4,280 restricted shares held directly by Mr. Westerfield, (ii) 15,186 shares held in a revocable trust for the benefit of Mr. Westerfield's wife, Ann D. Westerfield, and (iii) 30,000 shares issuable upon the exercise of options which are exercisable within 60 days.
 - (8) Includes 31,000 shares issuable upon the exercise of options which are exercisable within 60 days.
 - (9) Includes 550,500 shares issuable upon the exercise of options which are exercisable within 60 days.
 - (10) Based on the Form 13F filed with the SEC by Goldman Capital Management, Inc., which reports holdings as of December 31, 2011.
 - (11) Consists of 670,643 shares held by Grupo Vasconia, S.A.B., a Mexican corporation, as reported on January 20, 2012.
- () Less than 1% of outstanding shares.

PROPOSAL NO. 1**ELECTION OF DIRECTORS**

A board of nine directors is to be elected at the Meeting to hold office until the next Annual Meeting of Stockholders or until their successors are duly elected and qualified. The following nominees have been recommended by the Board. Each of the nominees is a current Director of the Company with the exception of Mr. Regan. 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 nine persons named below, unless the proxy contains contrary instructions:

Name	Age	Position	Director of the Company Since
Jeffrey Siegel	69	Chairman of the Board of Directors, Chief Executive Officer and President	1967
Ronald Shiftan	67	Vice Chairman of the Board of Directors and Chief Operating Officer	1984
Craig Phillips	61	Senior Vice-President Distribution and Director	1974
David E. R. Dangoor	62	Director	2007
Michael Jeary	65	Director	2005
John Koegel	60	Director	2008
Cherrie Nanninga	63	Director	2003
William U. Westerfield	80	Director	2004
Michael J. Regan	70	Nominee for Director	

BACKGROUND OF DIRECTORS AND NOMINEES FOR A DIRECTORSHIP

Jeffrey Siegel is Chairman of the Board of Directors, Chief Executive Officer and President. Mr. Siegel has held the position of Chairman of the Board since June 2001, the position of Chief Executive Officer since December 2000 and the position of President since December 1999. Mr. Siegel is also a director of Grupo Vasconia, S.A.B. (Vasconia), a manufacturer and distributor of aluminum disks, cookware and related items, in which the Company has a 30% equity ownership, and a director of Grand Venture Holdings Limited, a joint venture established to distribute certain products in China, in which the Company has a 50% equity ownership. Mr. Siegel has served the Company in various capacities and has been a director of the Company since 1967.

Ronald Shiftan is Vice Chairman of the Board of Directors and Chief Operating Officer. He was elected Vice Chairman in November 2004 and Chief Operating Officer in June 2005. Mr. Shiftan has been a director of the Company 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 the Company has a 40% equity ownership.

Craig Phillips has been Senior Vice-President Distribution since July 2003. Mr. Phillips held the position of Vice-President Manufacturing from 1973 to 2003. Mr. Phillips, a cousin of Mr. Siegel, has been a director of the Company since 1973.

David E. R. Dangoor has been President of Innoventive Partners LLC, a firm that provides consulting services in the fields of strategic planning, marketing and public relations, since 2002. Prior thereto, over a period of 27 years, Mr. Dangoor held various senior executive positions in several countries at Philip Morris International S.A. and Philip Morris International Inc. Mr. Dangoor is also the Chairman of the Board of Directors of BioGaiia AB, a public Swedish bio-tech company that develops and markets pro-biotic solutions through food concepts and supplements and a member of the Board of Directors of Lorillard, Inc., a New York Stock Exchange-listed cigarette manufacturer. Mr. Dangoor also serves as Honorary Consul General of Sweden in New York.

Michael Jeary is President of Laughlin Constable, an advertising agency with offices in Milwaukee, Chicago and New York. From 2006 to July 2009, Mr. Jeary was President and CEO of Partners + Jeary, a New York-based advertising agency. From 1998 to 2006, Mr. Jeary was a partner, President and Chief Operating Officer of Della Femina Rothschild Jeary and Partners.

John Koegel has been a principal of Jo-Tan, LLC, a retail consulting company, for the past seven years. From February 2010 to October 2011, Mr. Koegel was a member of the Board of Directors and Lead Director of Game Trading Technologies, Inc., a publicly-held video game trading services provider.

Cherrie Nanninga has been 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.

William U. Westerfield is a retired certified public accountant. From 1965 to 1992, Mr. Westerfield was an audit partner at Price Waterhouse LLP, an 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 also previously served as a director and a member of the audit committee of West Marine, Inc., a boating supply retailer.

Michael J. Regan is a former Vice Chairman and Chief Administrative Officer of KPMG LLP and was the lead audit partner for many Fortune 500 companies during his 40-year tenure with KPMG. Mr. Regan currently is a director of DynaVox Inc., a provider of speech generating devices and symbol-adapted special education software (since 2011) and of Scientific Games Corporation, an entertainment and media company (since 2006). Mr. Regan previously served on the boards of directors of Citadel Broadcasting Corporation and Allied Security Holdings LLC.

QUALIFICATIONS OF DIRECTORS AND NOMINEES FOR DIRECTORSHIP

Director	Key Qualifications
Jeffrey Siegel	Service as the Chairman, President and Chief Executive Officer of the Company; extensive knowledge of the Company's strategy, operations and financial position and of the housewares and retail industries.
Ronald Shiftan	Service as Vice Chairman and Chief Operating Officer of the Company; 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	Service as Senior Vice President - Distribution of the Company; knowledge of the Company's strategy, operations and financial position; knowledge of the housewares industry.
David E. R. Dangoor	Distinguished career with public company board experience; experience gained in marketing and general management positions with a large global consumer products company; knowledge of the Company and the housewares industry through board service.
Michael 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.
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.
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.

The Company has 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.

The Board recommends that stockholders vote **FOR** the election of the nominated directors. Signed proxies which are returned will be so voted unless otherwise instructed on the proxy card.

EXECUTIVE OFFICERS

The following table sets forth the names and ages of each of the Company's executive officers as of April 30, 2012:

Name	Age	Position
Jeffrey Siegel	69	Chairman of the Board of Directors, Chief Executive Officer and President
Ronald Shiftan	67	Vice Chairman of the Board of Directors and Chief Operating Officer
Craig Phillips	61	Senior Vice-President Distribution and Director
Laurence Winoker	56	Senior Vice-President Finance, Treasurer and Chief Financial Officer

BACKGROUND OF EXECUTIVE OFFICER

Laurence Winoker has been the Company's 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.

All of the Company's officers are elected annually by the Board and hold office at the pleasure of the Board and serve until their successors are elected and qualified.

See *Election of Directors* for biographies, names and ages of Directors and the nominee for Director.

CORPORATE GOVERNANCE

BOARD INDEPENDENCE

The Board has determined that David E. R. Dangoor, Michael Jeary, John Koegel, Cherrie Nanninga and William U. Westerfield are independent directors under the listing standards of The NASDAQ Stock Market, LLC. Michael J. Regan, the nominee for directorship, would also be an independent director upon election. Jeffrey Siegel, Ronald Shifan and Craig Phillips are employees of the Company and are not considered to be independent directors.

BOARD LEADERSHIP STRUCTURE

Jeffrey Siegel serves as Chairman of the Board of Directors, President and Chief Executive Officer of the Company. Mr. Siegel has served the Company in various capacities and has been a director of the Company since 1967 and is the largest individual stockholder of the Company. Mr. Siegel provides effective leadership and guidance as the Chairman in the development of the Company's risk profile, pursuit of its strategic goals and recognition of business opportunities that present themselves. The Company believes combining the role of Chairman and CEO enhances Mr. Siegel's ability to provide insight and direction on important strategic initiatives to both management and the independent directors and ensures that both groups act with a common purpose.

The Board of Directors is composed of eight directors, five of whom are independent of the Company. One additional person has been nominated for election to the board of directors and would be an independent director upon election. The Company's independent directors, and its governance practices, provide effective and independent oversight of management. The independent directors meet in periodic executive sessions, the results of which are discussed with the CEO. Each independent director has an equal stake in the Board's actions and equal accountability to the Company and its stockholders.

The Company has evaluated whether the Board would be more effective with a different structure and has determined that a change would offer no net benefit to the stockholders. The Company believes its current structure provides for unified leadership and direction to the Board and management and encourages active involvement, independent thinking and an environment of equal influence among all directors. For the foregoing reasons, the Company has determined that its leadership structure is appropriate given the Company's specific circumstances.

STOCK OWNERSHIP GUIDELINES

Effective March 2, 2010, the Board of Directors adopted new stock ownership guidelines applicable to directors. Under the new guidelines, a director must, on or prior to the compliance deadline, own shares of the Company's stock in an amount equal to or in excess of \$50,000, with such value determined at the time of receipt of stock based on payment or contribution. The compliance deadline is the later of i) 5 years after the director's election to the Board and ii) January 1, 2011. For purpose of the foregoing, unexercised stock options are not considered in calculating stock ownership but restricted shares are included at the time the restriction lapses. All directors of the Company are in compliance with the stock ownership guidelines.

BOARD OVERSIGHT OF RISK

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

CODE OF CONDUCT AND BUSINESS ETHICS

The Company has adopted a Code of Conduct that applies to all of its directors, officers (including its chief executive officer, chief financial officer and controller) and employees. A copy of the Company's Code of Conduct will be furnished to any stockholder, without charge, upon written request to the Senior Vice-President - Finance of the Company.

BOARD MEETINGS

The Board held seven meetings during the fiscal year ended December 31, 2011.

BOARD AND COMMITTEE ATTENDANCE

All eight directors attended the Company's 2011 Annual Meeting of Stockholders. Directors are expected, but not required, to attend the Annual Meeting of Stockholders. The Board holds meetings on at least a quarterly basis and more often, if necessary, to fulfill its responsibilities. Each director attended a minimum of 75% of the board meetings and committee meetings scheduled during 2011.

STOCKHOLDER COMMUNICATION WITH DIRECTORS

Stockholders who wish to communicate with members of the Board, including the independent directors, individually or as a group, may send correspondence to them in care of the Secretary at the Company's 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

The Board of Directors nominates candidates to serve as directors of the Company based on the recommendation of the Board's Nominating and Governance Committee. Directors are elected annually by the stockholders of the Company and serve until the next annual meeting of the stockholders or until their successors have been elected and qualified or until their earlier resignation or removal.

NOMINATING AND GOVERNANCE COMMITTEE

The Nominating and Governance Committee is composed of all of the Company's independent directors; John Koegel (Chair), David E. R. Dangoor, Michael Jeary, Cherrie Nanninga and William U. Westerfield. The Nominating and Governance Committee held four meetings in 2011.

The 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 the 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 the Board to determine whether it may be appropriate to add individuals with different backgrounds or skill sets from those already on the Board, and submit to the Board on an annual basis a report summarizing its conclusions regarding these matters;

To consider requests by members of the Board of Directors to serve on other public company boards;

To provide an orientation and education program for Directors;

To develop and make recommendations to the Board regarding governance principles applicable to the Company;

To assess the structure of the committees of the Board, develop and recommend corporate governance guidelines and develop and recommend procedures for the evaluation and self-evaluation of the Board; and

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To perform such other duties as the Board may assign to the Committee.

The complete text of the Nominating and Governance Committee charter is set forth as Appendix C to this Proxy Statement. The Nominating and Governance Committee charter is available on the Company's website at www.lifetimebrands.com.

BOARD DIVERSITY

The Company's policy provides that, while diversity and the variety of experiences and viewpoints represented on the Board of Directors should always be considered, a director nominee should not be chosen nor excluded solely or largely because of race, color, gender, national origin or sexual orientation or identity. In selecting a director nominee, the Nominating and Governance Committee focuses on skills, expertise and background that would compliment those of the existing members of the Board of Directors, recognizing the nature of the Company's business.

AUDIT COMMITTEE

The Audit Committee is composed of three directors, each of whom is independent, as required by the Audit Committee charter 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 and Cherrie Nanninga. The Board has determined that William U. Westerfield is an Audit Committee Financial Expert, as defined by the SEC rules. The Audit Committee held four meetings during 2011.

The Audit Committee, among other things, regularly:

Considers the qualifications of and appoints and reviews the activities of the Company's independent registered public accounting firm;

Reviews and approves audit fees and fees for non-audit services rendered or to be rendered by the independent accountants, and reviews the audit plan and the services rendered or to be rendered by the independent accountants for each year and the results of their audit of the financial statements for the previous year;

Evaluates the Company's organization and its internal controls, policies, procedures and practices to determine whether they are reasonably designed to:

Provide for the safekeeping of the Company's assets; and

Assure the accuracy and adequacy of the Company's records and financial statements;

Reviews the activities of the Company's internal audit function and approves the internal audit plan and budget;

Reviews the Company's financial statements and reports;

Discusses the Company's processes with respect to risk assessment and risk management and reviews the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;

Monitors compliance with the Company's internal controls, policies, procedures and practices;

Reviews and approves related-party transactions; and

Undertakes such other activities as the Board from time to time may delegate to it.
The complete text of the Audit Committee charter was set forth as Appendix A to the 2010 Proxy Statement. The Audit Committee charter is also available on the Company's website at www.lifetimebrands.com.

STRATEGIC PLANNING COMMITTEE

The Strategic Planning Committee is composed of four directors. The current members are Michael Jeary (Chair), John Koegel, David E. R. Dangoor and Jeffrey Siegel. The Strategic Planning Committee held three meetings in 2011.

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

Monitoring and informing the Board of developments, trends and new discoveries that may facilitate the Company to achieve its goals by improving operations, profitability and stockholder value;

Reviewing and recommending to the 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.

The Strategic Planning Committee regularly receives updates from the Chairman of the Board of Directors and Chief Executive Officer, and from time to time meets with the Company's Division Presidents.

The complete text of the Strategic Planning Committee charter is available on the Company's website at www.lifetimebrands.com.

COMPENSATION COMMITTEE

The Compensation Committee is composed of three directors, each of whom is independent. The current members are Cherrie Nanninga (Chair), John Koegel and Michael Jeary. The Compensation Committee held seven meetings during 2011.

The purpose of the Compensation Committee is to assist the Board in fulfilling its responsibilities relating to executive as well as non-executive compensation. The principal duties and responsibilities of the Compensation Committee include: (i) reviewing and approving compensation principles that apply generally to the Company's employees, (ii) establishing and reviewing corporate goals and objectives relevant to the compensation of the Chief Executive Officer and Chief Operating Officer, and (iii) reviewing, based primarily on the evaluations and recommendations of the Chief Executive Officer and Chief Operating Officer, the performance of the other executive officers of the Company. The Compensation Committee considers the following factors in making or approving compensation decisions or recommendations from executive management: Company performance, division performance, individual performance, executive potential and retention.

The Compensation Committee is also responsible for the administration of the Company's 2000 Incentive Bonus Compensation Plan and the Company's 2000 Long-Term Incentive Plan.

The complete text of the Compensation Committee charter is set forth as Appendix D of this Proxy Statement. The Compensation Committee charter is also available on the Company's website at www.lifetimebrands.com.

EXECUTIVE SESSIONS

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

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors of the Company reviewed and discussed the consolidated financial statements of the Company and its subsidiaries that are set forth in the Company's 2011 Annual Report to Stockholders and in Item 8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2011 with management of the Company and Ernst & Young LLP, the independent registered public accounting firm of the Company.

The Audit Committee discussed with Ernst & Young LLP the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended, which includes, among other items, matters relating to the conduct of an audit of the Company's financial statements and the adequacy of internal controls.

The Audit Committee received the written disclosures and the letter from Ernst & Young LLP required by Rule 3256 of the Public Company Accounting Oversight Board, Communications Concerning Independence, and discussed with Ernst & Young LLP that firm's independence from the Company. The Committee concluded that the provision by Ernst & Young LLP of non-audit services, including tax preparation services, to the Company is compatible with its independence.

Based on the review and discussions with management of the Company and Ernst & Young LLP referred to above, the Audit Committee recommended to the Board of Directors that the Company publish the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2011 in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 and in the Company's 2011 Annual Report to Stockholders.

April 30, 2012

The Audit Committee
William U. Westerfield - Chair
Cherrie Nanninga
David E. R. Dangoor

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

The Company achieved certain financial and strategic goals during 2011. The Company's U.S. wholesale Kitchenware and Tabletop businesses, which together account for approximately 80% of the Company's consolidated net sales, achieved solid, profitable growth. Grupo Vasconia S.A.B. and the Company's Canada business, a strategic alliance with Accent-Fairchild Group, both had record years in both sales and profits, reflecting strong consumer demand in their respective markets. In addition, in 2011 the Company made several important investments. The purpose of these investments was to assist in accelerating the Company's growth by broadening the Company's product base and diversifying the Company's geographic base. All of these results were achieved through execution of the Company's business strategy during an uncertain and challenging period in the global economy.

The financial highlights for 2011 included the following:

Net sales were \$444.4 million in 2011 as compared to net sales of \$443.2 million in 2010.

Income before taxes, equity in earnings, and extraordinary item was \$16.8 million in 2011 as compared to income before taxes, equity in earnings, and extraordinary item of \$19.7 million in 2010.

Net income was \$14.1 million in 2011 as compared to net income of \$20.3 million in 2010. Net income in 2011 included \$2.0 million of acquisition related expenses. Net income in 2010 included a \$2.5 million extraordinary gain.

EBITDA was \$38.1 million in 2011 as compared to EBITDA of \$42.9 million in 2010. The Company defines EBITDA as net income, adjusted to exclude undistributed equity earnings, extraordinary items, interest, income taxes, depreciation and amortization, stock compensation expense, loss on early retirement of debt and acquisition related expenses. A reconciliation of net income to EBITDA is included on page 24 of the Company's Form 10-K filed on March 9, 2012.

The Company's compensation program, which is based on the Company's philosophy and objectives, provided for an evaluation of the 2011 financial results and the achievements of the executives in the determination of 2011 executive compensation, yielding a high level of correlation between pay and the achievement of the Company's financial and strategic goals.

In 2011, the Board of Directors provided stockholders with the opportunity to cast an advisory vote on executive compensation. At our Annual Meeting, held on June 16, 2011, approximately 97.8% of the shares present at the meeting voted to approve th