Taylor James M Jr
Form 4
February 11, 2013

# FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Taylor James M Jr

(Last) (First) (Middle)

1626 EAST JEFFERSON STREET

(Street)

ROCKVILLE, MD 20852

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
FEDERAL REALTY INVESTMENT TRUST [FRT]

3. Date of Earliest Transaction (Month/Day/Year)
02/07/2013

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
EVP-CFO & Treasurer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common shares of beneficial interest | 02/07/2013 | | A | | 9,186 | A | $ 0 | 13,798 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**
**(*e.g.*, puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| Taylor James M Jr<br>1626 EAST JEFFERSON STREET<br>ROCKVILLE, MD 20852 | | | EVP-CFO & Treasurer | |

# Signatures

| Dawn M. Becker, power of attorney | 02/11/2013 |
|---|---|
| **Signature of Reporting Person | Date |

# Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ssion of concerns from our employees on a confidential, anonymous basis regarding questionable accounting or auditing matters;

overseeing the procedures designed to implement the Company s Amended and Restated Code of Business Conduct and Ethics (the Code of Business Conduct and Ethics ) to ensure that they are operating effectively; and

preparing a periodic performance evaluation of the Audit Committee.

The Audit Committee has the power to investigate any matter of interest or concern that it deems appropriate and to retain counsel for such purpose.

The Board of Directors has determined that Mr. Kelly is an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K of the Exchange Act. All members of the Audit Committee must be independent directors based on our Corporate Governance Guidelines and under the listing standards of Nasdaq. Members of the Audit Committee must also satisfy a separate SEC independence requirement pursuant to Rule 10A-3 under the Exchange Act, which provides that they may not (i) accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries other than their directors compensation and (ii) be an affiliate of the Company or any of its subsidiaries. The Board of Directors has determined that each of the Audit Committee members, Mr. Kelly, Dr. Altschuler and Ms. Brown, has no material relationship with us and satisfies the independence requirements under our Corporate Governance Guidelines, the listing standards of Nasdaq, and Rule 10A-3 under the Exchange Act. The Audit Committee operates under a written charter, which is available on our corporate website at corporate.ww.com/govdocs.

***Compensation Committee***

The current members of the Compensation Committee are Messrs. Debbane and Sobecki and Dr. Altschuler. Mr. Sobecki joined the Compensation Committee on February 27, 2019. Each member of the Compensation

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Committee has been determined to be independent under the applicable listing standards of Nasdaq and our Corporate Governance Guidelines. The Chairman of the Compensation Committee is Mr. Debbane. The Compensation Committee held 4 meetings during fiscal 2018.

The principal responsibilities and duties of the Compensation Committee include:

- establishing and reviewing the overall compensation philosophy of the Company;
- reviewing and approving, or recommending to the Board of Directors, corporate goals and objectives relevant to the Chief Executive Officer s and other executive officers compensation, including annual performance objectives;
- evaluating the performance of the Chief Executive Officer and other executive officers in light of approved goals and objectives and, based on such evaluation, either reviewing and approving, or recommending to the Board of Directors, the annual salary, bonus, equity-based incentive compensation and other benefits, direct and indirect, of the Chief Executive Officer and other executive officers;
- approving or recommending to the Board of Directors any employment relationship or transaction involving an executive officer and any related compensation;
- considering policies and procedures pertaining to expense accounts of senior executives;
- discussing the results of the shareholder advisory vote on say-on-pay, if any, with regard to the named executive officers;
- reviewing and recommending to the Board of Directors compensation of directors;
- considering, on at least an annual basis, whether risks arising from the Company s compensation policies and practices for all employees, including non-executive officers, are reasonably likely to have a material adverse effect on the Company;
- reviewing, and making recommendations to the Board of Directors with respect to, the Company s incentive compensation plans and equity-based plans, and overseeing the activities of the individuals responsible for administering those plans;
- reviewing, monitoring and making recommendations to the Board of Directors with respect to, or approving, employee pension, profit sharing and benefit plans;
- overseeing the preparation of a Compensation Discussion and Analysis for inclusion in the Company s annual proxy statement or annual report on Form 10-K, in accordance with the rules of the SEC; and
- preparing recommendations and periodic reports to the Board of Directors concerning these matters, as applicable.

The day-to-day administration of savings plans, profit sharing plans, stock plans, health, welfare and paid time-off plans and policies applicable to salaried employees in general are handled by the Company s human resources, finance and legal department employees. The responsibility for certain fundamental changes outside the day-to-day requirements necessary to maintain these plans and policies belongs to the Compensation

Committee. The Compensation Committee operates under a written charter, which is available on our corporate website at corporate.ww.com/govdocs.

For additional information on the Compensation Committee s activities, its use of outside advisors and its consideration and determination of executive compensation, as well as the role of our Chief Executive Officer in recommending the amount or form of compensation paid to the other named executive officers, see *Compensation Discussion and Analysis.*

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***Nominating and Corporate Governance Committee***

The current members of the NCG Committee are Messrs. Semmelbauer and Sobecki and Ms. Rice. Ms. Rice joined the NCG Committee on February 27, 2019. Each member of the NCG Committee has been determined to be independent under the applicable listing standards of Nasdaq and our Corporate Governance Guidelines. The Chairman of the NCG Committee is Mr. Semmelbauer. The NCG Committee was established in March 2018 and held 5 meetings during fiscal 2018.

The principal responsibilities and duties of the NCG Committee include:

- establishing criteria for the selection of new directors to serve on the Board of Directors;
- identifying individuals qualified to become directors, consistent with the criteria approved by the Board of Directors, and selecting, or recommending that the Board of Directors select, the director nominees for the next annual meeting of shareholders or to fill vacancies or newly created directorships that may occur between such meetings;
- considering questions of independence and possible conflicts of interests of members of the Board of Directors and executive officers;
- evaluating candidates for nomination to the Board of Directors and conducting all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates;
- overseeing a set of corporate governance principles applicable to the Company and developing and recommending to the Board of Directors any changes thereto;
- overseeing the evaluation of the Board of Directors; and
- recommending members of the Board of Directors to serve on committees of the Board of Directors, as well as serve as the chairpersons thereof, and evaluating the operations and performance of such committees.

The NCG Committee operates under a written charter, which is available on our corporate website at corporate.ww.com/govdocs.

**Board Structure**

It has been the policy of the Company for many years to separate the positions of Chief Executive Officer and Chairman of the Board of Directors. While we recognize that different board leadership structures may be appropriate for companies in different situations, we believe that our current policy of separation of these two positions is most appropriate for the Company. To meet their responsibilities of overseeing management and setting strategic direction, as well as fostering the long-term value of the Company, among their other responsibilities, directors are required to spend time and energy in successfully navigating a wide variety of issues and guiding the policies and practices of the companies they oversee. To that end, we believe that having a separate non-executive Chairman of the Board of Directors who is solely responsible for leading the Board of Directors allows the focus of our Chief Executive Officer s time and energy to be running the day-to-day operations of the Company.

**Oversight of Risk Management**

We are exposed to a number of risks, including financial risks, credit risks, operational risks, technological risks, privacy and security risks, and risks relating to regulatory and legal compliance. Our executive management team is responsible for identifying and evaluating these risks and developing plans to manage them effectively. Risk management is a Company-wide initiative that involves each of our operating segments. We take a multi-disciplinary approach to risk and our risk management function includes senior executives with backgrounds in finance, operations, human resources, technology, internal audit, and legal and regulatory

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compliance. For example, our Chief Financial Officer advises our executive management team on both financial and credit risks faced by the Company and our General Counsel advises our executive management team on the Company s legal and regulatory compliance. Our Chief Executive Officer is advised of and oversees these risk management efforts by the Company s executive management team. The Board of Directors actively oversees the Company s risk management. For example, the Board of Directors and Audit Committee routinely meet with our Chief Technology Officer as well as outside experts from time to time to assess cybersecurity risks and to evaluate the status of the Company s cybersecurity efforts, which include a broad range of tools and training initiatives that work together to protect the data and systems used in our businesses. Both the Audit Committee and Compensation Committee play a significant role in the oversight of the Company s risk management. For example, the Audit Committee oversees our risk management efforts related to the Company s audit function while the Compensation Committee oversees our risk management efforts related to employment and compensation matters. In addition, the NCG Committee oversees risks related to corporate governance, including Board of Directors and committee composition and director independence. Members of our executive management team meet with the Board of Directors, Audit Committee, Compensation Committee and NCG Committee regularly to discuss, as well as provide reports relating to, the risks facing the Company.

**Compensation Committee Interlocks and Insider Participation**

Each of Messrs. Debbane and Amouyal and Dr. Altschuler served as a member of the Compensation Committee during fiscal 2018. There were no Compensation Committee interlocks or insider (employee) participation during fiscal 2018. See *Transactions with Related Persons and Certain Control Persons Transactions with Related Persons Registration Rights Agreement* and *Other Related Person Transactions* for a description of the relationships that Mr. Debbane has, and Mr. Amouyal had, with the Company.

**Identifying and Evaluating Nominees for Directors**

Pursuant to our Corporate Governance Guidelines and the NCG Committee Charter, the NCG Committee is responsible for nominating, or recommending to the Board of Directors, nominees for election as directors. The NCG Committee will consider candidates for nomination as a director recommended by the Company s shareholders, directors, officers and employees and third-party search firms and other sources it deems appropriate. Considerations in evaluating candidates include the candidate s minimum individual qualifications, including integrity, accountability, experience and an ability to work collegially with the other members of the Board of Directors. In addition, the NCG Committee and Board of Directors will take into account all other factors they consider appropriate, including a candidate s skills and experience, legal and regulatory requirements and the needs of the Board of Directors. While neither the NCG Committee nor the Board of Directors has adopted a formal policy regarding diversity, they evaluate each candidate in the context of the Board of Directors membership as a whole and seek to achieve a mix of members that represents a diversity of background and experience in order to promote the representation of diverse views on the Board of Directors. All candidates are reviewed in the same manner, regardless of the source of the recommendation. The NCG Committee will consider individuals recommended by shareholders for nomination as a director in accordance with the procedures described below. The NCG Committee may engage consultants or third-party search firms to assist in identifying and evaluating potential candidates.

*Recommendation of the Replacement Directors*. The NCG Committee generally works with a third-party search firm to identify suitable candidates for the Board of Directors and evaluate candidate recommendations from current directors. Such firm recommended Mses. Rice, Bornstein and Brown. In light of the resignations of Mr. Lainovic, Mr. Amouyal and Ms. Elkins and after evaluation of such candidates, the NCG Committee and the Board of Directors elected Mses. Rice, Bornstein and Brown to serve the remainders of Mr. Lainovic s term as a Class II director, Mr. Amouyal s term as a Class III director and Ms. Elkins term as a Class I director, respectively.

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**Procedures for Submitting Director Recommendations and Nominations**

The Company s Amended and Restated Bylaws (the Bylaws ) provide that shareholders may nominate persons for election as directors at the Company s shareholder meetings by giving timely written notice to the Corporate Secretary of the Company containing required information. The Bylaws require that, to be timely and proper, notice of a nomination by a shareholder must be personally delivered to, or mailed to and received at, the Company s principal executive offices as follows: (a) for elections to be held at an annual meeting of shareholders, (i) at least 120 days and no more than 150 days before the first anniversary of the date of the proxy statement in conjunction with the annual meeting of shareholders for the prior year or (ii) if the date of the annual meeting is more than 30 days earlier or later than the anniversary date of the prior year s annual meeting, not less than 60 days prior to such annual meeting; and (b) for elections that are going to take place at a special meeting of shareholders, no later than the close of business on the seventh day after the day on which notice of the date of the special meeting is first given to shareholders.

In notifying the Corporate Secretary, the shareholder making the submission must provide the following information: (i) the name and the address of the shareholder, as they appear on the Company s stock transfer books, and the name, age and business address (and, if known, residential address) of the candidate to be considered; (ii) a representation by the shareholder that the shareholder is a shareholder of record and intends to appear in person or by proxy at the meeting to nominate the candidate; (iii) the class or series and number of shares of the Company s stock that are beneficially owned by the shareholder and by the candidate; (iv) a description of all arrangements or understandings between the shareholder and the candidate and any other person (naming such person(s)) pursuant to which such nomination is to be made by such shareholder; (v) an executed written consent of the candidate to be named in the proxy statement as a nominee and to serve as a director of the Company if so elected; (vi) the principal occupation or employment of the candidate; and (vii) any other information relating to the candidate required to be disclosed in accordance with the Bylaws and the Exchange Act. For the Company s 2020 Annual Meeting, the foregoing information must be submitted to Weight Watchers International, Inc., Attention: Corporate Secretary, 675 Avenue of the Americas, 6th Floor, New York, New York 10010.

The NCG Committee will also consider director candidates recommended by shareholders. All recommendations for nomination received by the Corporate Secretary that are made in accordance with the requirements in our Bylaws relating to director nominations, as described above, will be considered.

**Director Independence**

For a director to be considered independent, the Board of Directors must determine that the director does not have any relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board of Directors has established guidelines to assist it in determining director independence, which conform to the independence requirements in the Nasdaq listing standards. In addition to applying these guidelines, which are set forth in Article II of our Corporate Governance Guidelines, the Board of Directors will consider all relevant facts and circumstances in making an independence determination.

In April 2019, the Board of Directors and the NCG Committee undertook a review of the independence of the Company s current directors. Following this review, the Board of Directors affirmatively determined that the following current directors are independent under the applicable listing standards of Nasdaq and our Corporate Governance Guidelines: Dr. Altschuler, Mmes. Bornstein, Brown and Rice and Messrs. Debbane, Fajgenbaum, Kelly, Semmelbauer and Sobecki. The Board of Directors previously determined that former directors Sacha Lainovic, Philippe Amouyal and Cynthia Elkins were independent under applicable listing standards and our Corporate Governance Guidelines. In making the independence determinations, the Board of Directors and the NCG Committee considered all relevant facts and circumstances. In particular, in the case of Messrs. Semmelbauer and Sobecki, the Board of Directors and the NCG Committee considered their prior service as

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members of the former Interim Office of the Chief Executive Officer of the Company from September 12, 2016 to July 5, 2017, as well as the compensation Messrs. Semmelbauer and Sobecki received for such service. The Board of Directors and the NCG Committee concluded that such former interim service and the compensation each received therefor would not interfere with the exercise of independent judgment by Messrs. Semmelbauer and Sobecki in carrying out their respective responsibilities as a director. Additionally, in the case of Messrs. Debbane and Semmelbauer, the Board of Directors and the NCG Committee considered their service as chairman and co-chairman, respectively, of the board of directors of Action Against Hunger, a charitable organization to which the Company made a donation of less than $120,000 in fiscal 2018. The Board of Directors and the NCG Committee concluded that such relationship with Action Against Hunger would not interfere with the exercise of independent judgment by Messrs. Debbane and Semmelbauer in carrying out their respective responsibilities as a director.

**Code of Business Conduct and Ethics**

We have adopted the Code of Business Conduct and Ethics for our officers, including our principal executive officer, principal financial officer, principal accounting officer or controller, and our employees and directors. Our Code of Business Conduct and Ethics is available on our corporate website at corporate.ww.com/govdocs.

In addition to any disclosures required under the Exchange Act, the date and nature of any substantive amendment of our Code of Business Conduct and Ethics or waiver thereof applicable to any of our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions, and that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K of the Exchange Act, will be disclosed within four business days of the date of such amendment or waiver on our corporate website at corporate.ww.com/govdocs and corporate.ww.com/corporate-actions//Index?KeyGenPage=1073752069, respectively. In the case of a waiver, the name of the person to whom the waiver was granted will also be disclosed on our corporate website within four business days of the date of such waiver.

**Executive Sessions of Non-Management and Independent Directors**

Non-management directors meet in executive sessions of the Board of Directors in which management directors and other members of management do not participate. These sessions are periodically scheduled for non-management directors at meetings of the Board of Directors. The Chairman of the Board of Directors, Mr. Debbane, presides over the meetings of the non-management directors. In addition, the directors who the Board of Directors affirmatively determined are independent under applicable Nasdaq listing standards and our Corporate Governance Guidelines hold executive sessions at least twice a year. Mr. Kelly presided over these sessions in fiscal 2018.

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## EXECUTIVE OFFICERS AND DIRECTORS OF THE COMPANY

Set forth below are the names, ages, and current positions with us as of April 5, 2019 of our executive officers and directors. Directors are elected at the annual meeting of shareholders. Executive officers are appointed by, and hold office at, the discretion of the Board of Directors.

| Name | Age | Position |
| --- | --- | --- |
| Mindy Grossman | 61 | President and Chief Executive Officer, Director |
| Nicholas P. Hotchkin | 53 | Chief Financial Officer, Operating Officer, North America and President, Emerging Markets |
| Michael F. Colosi | 53 | General Counsel and Secretary |
| Corinne Pollier(-Bousquet) | 54 | President, International |
| Raymond Debbane[1] | 64 | Chairman of the Board of Directors |
| Steven M. Altschuler, M.D.[1][2] | 65 | Director |
| Julie Bornstein | 49 | Director |
| Tracey D. Brown[2] | 51 | Director |
| Jonas M. Fajgenbaum | 46 | Director |
| Denis F. Kelly[2] | 69 | Director |
| Julie Rice[3] | 48 | Director |
| Thilo Semmelbauer[3] | 53 | Director |
| Christopher J. Sobecki[1][3] | 60 | Director |
| Oprah Winfrey | 65 | Director |

(1) Member of Compensation Committee.

(2) Member of Audit Committee.

(3) Member of NCG Committee.

*Mindy Grossman.* Ms. Grossman has served as a director and our President and Chief Executive Officer since July 2017. Prior to joining us, she served as Chief Executive Officer of HSN, Inc., an interactive, multichannel retailer of fashion, household and lifestyle products, and a member of its Board of Directors from August 2008 to May 2017. Prior to joining HSN, she served as Chief Executive Officer of IAC Retailing, a business segment of HSN s former parent company, IAC/InterActiveCorp, a media and Internet company, from April 2006 to August 2008, and Global Vice President of Nike, Inc. s apparel business from October 2000 to March 2006. Earlier in her career, Ms. Grossman held various other executive positions in the retail industry, including President and CEO of Polo Jeans Company, Vice President of New Business Development at Polo Ralph Lauren Corporation, President of Chaps Ralph Lauren, and Senior Vice President of Menswear for Warnaco, Inc. Ms. Grossman is a director of Fanatics, Inc. and was previously a director of Bloomin Brands, Inc. She also serves as Vice Chairman for UNICEF USA.

*Nicholas P. Hotchkin.* Mr. Hotchkin has served as our Chief Financial Officer since August 2012. In addition to his role as Chief Financial Officer, he was appointed as our Operating Officer, North America in March 2019 and our President, Emerging Markets in March 2018. He also served as a member of our former Interim Office of the Chief Executive Officer from September 2016 to July 2017. Prior to joining us, Mr. Hotchkin had spent several years at Staples, Inc., a global leader in the office supply industry. Most recently, Mr. Hotchkin served as Senior Vice President of Finance for the U.S. Retail division of Staples based in Massachusetts, a position he held from May 2010 to August 2012. Before assuming that position, he had been Senior Vice President of Finance and Treasurer of Staples, a position he held from November 2006 to April 2010. Prior to joining Staples, Mr. Hotchkin held several corporate finance positions with Delphi Corporation and General Motors Corporation including assignments in the United States, Asia and Europe. Mr. Hotchkin received a B.A. in Economics from Harvard College and an M.B.A. from the Harvard Business School.

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*Michael F. Colosi.* Mr. Colosi has served as our General Counsel and Secretary since May 2014. Prior to joining us, Mr. Colosi most recently served as Senior Vice President, General Counsel and Corporate Secretary of Kenneth Cole Productions, Inc. (KCP), a multi-brand retail, wholesale and licensing company, from March 2007 to February 2014. His service as General Counsel and Secretary of KCP commenced in July 2000 and July 2004, respectively. He also served as Corporate Vice President of KCP from July 2000 to February 2007. Prior to joining KCP, Mr. Colosi was Associate General Counsel and Assistant Secretary for The Warnaco Group, Inc., an international apparel company, from 1996 to 2000. Mr. Colosi received a B.A. in Economics and English from Cornell University and a J.D. from The University of Michigan Law School.

*Corinne Pollier(-Bousquet).* Ms. Pollier has served as our President, International since March 2016. Prior to that time, Ms. Pollier served as our President, Continental Europe & Australia-New Zealand from January 2014 to March 2016, our President, Continental Europe from May 2013 to January 2014, our Senior Vice President of France and Switzerland from October 2008 to May 2013 and our General Manager of France from October 2003 to October 2008. Prior to joining us, from 1991 to 2003, Ms. Pollier was with VIVARTE Group (France), a European retailer of footwear and apparel, where she held various positions in the finance and planning analysis department from 1991 to 1995, various senior positions in the organization and strategy department from 1995 to 2000 and as General Manager of Kookai from 2001 to 2003. Ms. Pollier also held various product management and project management positions for the central buying office of Le Printemps department stores from 1987 to 1991. Ms. Pollier holds a Masters in Management from the HEC Business School Paris.

*Raymond Debbane.* Mr. Debbane has been the Chairman of our Board of Directors since our acquisition by Artal Luxembourg on September 29, 1999. Mr. Debbane is a co-founder and the Chief Executive Officer of The Invus Group, LLC. Prior to forming The Invus Group, LLC in 1985, Mr. Debbane was a manager and consultant for The Boston Consulting Group in Paris, France. He holds an M.B.A. from Stanford Graduate School of Business, an M.S. in Food Science and Technology from the University of California, Davis and a B.S. in Agricultural Sciences and Agricultural Engineering from American University of Beirut. Mr. Debbane is the Chairman of the Board of Directors of Lexicon Pharmaceuticals, Inc. He is also the Chief Executive Officer and a director of Artal Group S.A., and the Chairman of the Board of Directors of a number of private companies of which Artal or Invus, L.P. are shareholders. Mr. Debbane was previously a director of Ceres, Inc. and Blue Buffalo Pet Products, Inc.

*Steven M. Altschuler, M.D.* Dr. Altschuler has been a director since September 2012. Since May 2018, Dr. Altschuler has served as a Managing Director, Healthcare Ventures, of Ziff Capital Partners, a private investment firm. He previously served as a consultant to the University of Miami Health Care System from September 2017 through December 2017, the Chief Executive Officer of University of Miami Health Care System and Executive Vice President for Healthcare at the University of Miami from January 2016 to September 2017, and the Chief Executive Officer of The Children s Hospital of Philadelphia (CHOP) from April 2000 until June 2015. Prior to assuming the role of Chief Executive Officer, Dr. Altschuler held several positions at CHOP and the Perelman School of Medicine at the University of Pennsylvania, including Physician-in-Chief/Chair of Pediatrics and chief of the Division of Gastroenterology, Hepatology and Nutrition. Dr. Altschuler received a B.A. in mathematics and an M.D. from Case Western Reserve University. Dr. Altschuler currently serves as Chair of the Board of Directors of Spark Therapeutics, Inc. and as a director of Adtalem Global Education Inc.

*Julie Bornstein.* Ms. Bornstein has been a director since February 2019. Since February 2018, Ms. Bornstein has served as Chief Executive Officer of a new venture-backed company she founded. From March 2015 to September 2017, Ms. Bornstein served as Chief Operating Officer at Stitch Fix, Inc., an online styling services company. Prior to that, Ms. Bornstein served as Chief Digital Officer at Sephora, a cosmetic retail company and subsidiary of LVMH Moët Hennessy Louis Vuitton SE, from August 2007 to March 2015. Ms. Bornstein received a B.A. in Government from Harvard College and an M.B.A. from Harvard Business School. Ms. Bornstein is a director of Redfin Corporation.

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*Tracey D. Brown.* Ms. Brown has been a director since February 2019. Since June 2018, Ms. Brown has served as Chief Executive Officer of the American Diabetes Association, the largest voluntary health organization in the United States. Previously, Ms. Brown was with Sam s Club, a membership retail warehouse club and division of Walmart Inc., where she served as Senior Vice President of Operations and Chief Experience Officer from February 2017 to June 2018, Chief Member and Marketing Officer from January 2015 to February 2017, and Vice President from October 2014 to January 2015. Prior to joining Sam s Club, Ms. Brown held various roles at RAPP Dallas (a part of the Omnicom Group), Direct Impact, Advanced Micro Devices, Peppers & Rogers Group, Dell, American Express, Exxon and Procter & Gamble. Ms. Brown earned a Bachelor of Chemical Engineering from the University of Delaware and an M.B.A. from Columbia Business School.

*Jonas M. Fajgenbaum.* Mr. Fajgenbaum has been a director since our acquisition by Artal Luxembourg on September 29, 1999. Mr. Fajgenbaum is a Managing Director of The Invus Group, LLC, which he joined in 1996. Prior to joining The Invus Group, LLC, Mr. Fajgenbaum was a consultant for McKinsey & Company in New York from 1994 to 1996. He graduated with a B.S. in Economics with a concentration in Finance from The Wharton School of the University of Pennsylvania and a B.A. in Economics from the University of Pennsylvania. Mr. Fajgenbaum is a director of a number of private companies of which Artal or Invus, L.P. are shareholders.

*Denis F. Kelly.* Mr. Kelly has been a director since May 2015. Mr. Kelly is affiliated with, and has served as a Managing Partner of, Scura Partners Securities LLC, a private investment banking firm which he co-founded, since 2001. In addition, Mr. Kelly is a Hearing Officer for National Arbitration and Mediation (NAM), one of the leading dispute resolution institutions in the United States. From 1993 to 2001, he was a Managing Director of Prudential Securities Incorporated. Previously, he served as the President and Chief Executive Officer of Denbrook Capital Corporation, a merchant banking firm, from 1991 to 1993. From 1980 to 1991, Mr. Kelly held various positions at Merrill Lynch, including Managing Director of Mergers and Acquisitions and Managing Director of Merchant Banking. Mr. Kelly began his investment banking career at Lehman Brothers in 1974. Mr. Kelly received a B.A. from Amherst College and an M.B.A. from the Wharton School of Business of the University of Pennsylvania. Mr. Kelly is also a director of MSC Industrial Direct Co., Inc., where he serves as a member of the Audit Committee and the chairman of the Compensation Committee. Mr. Kelly previously served as a director of Kenneth Cole Productions, Inc., which is no longer a public company.

*Julie Rice.* Ms. Rice has been a director since August 2018. Since November 2017, Ms. Rice has served as a Partner at WeWork, a shared workspace company. Since June 2016, she has also served as the Co-Founder of LifeShop LLC, a private investment firm. After co-founding SoulCycle Inc., a fitness company, in 2006, Ms. Rice served as Co-Chief Executive Officer from 2006 to 2015, Chief Talent and Creative Officer from 2015 to 2016 and a member of the board of directors from 2010 to 2018. Previously, Ms. Rice was a Talent Manager at Handprint Entertainment from 1997 to 2004. Ms. Rice received a B.A. in English and Theater from the State University of New York at Binghamton.

*Thilo Semmelbauer.* Mr. Semmelbauer has been a director since September 2016. He served as a member of our former Interim Office of the Chief Executive Officer from September 2016 to July 2017. He has been involved in technology ventures for over 25 years. From 2015 to 2017, Mr. Semmelbauer was a Venture Partner of Insight Venture Partners, a global private equity and venture capital firm, and he currently continues to act as Senior Advisor to Insight. From 2010 to 2015, he served as President and Chief Operating Officer of Shutterstock, Inc., a global marketplace for licensing images, videos, and music to businesses worldwide. From 2009 to 2010, he served as Executive Vice President, Consumer Business, of TheLadders.com, a career management company. Mr. Semmelbauer was also Weight Watchers International, Inc. s Global Chief Operating Officer from 2006 to 2008 and Chief Operating Officer for North America from 2004 to 2006, after serving as President and Chief Operating Officer of WeightWatchers.com from 2000 to 2004 where he was part of the founding team. He holds an A.B. in Electrical Engineering and Computer Science from Dartmouth College and a dual M.S. in Management and Electrical Engineering from the Massachusetts Institute of Technology.

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*Christopher J. Sobecki.* Mr. Sobecki has been a director since our acquisition by Artal Luxembourg on September 29, 1999. He served as a member of our former Interim Office of the Chief Executive Officer from September 2016 to July 2017. Mr. Sobecki is a Managing Director of The Invus Group, LLC, which he joined in 1989. He received an M.B.A. from the Harvard Business School. He also obtained a B.S. in Industrial Engineering from Purdue University. Mr. Sobecki is a director of Lexicon Pharmaceuticals, Inc. and a number of private companies of which Artal or Invus, L.P. are shareholders.

*Oprah Winfrey.* Ms. Winfrey has been a director since October 2015. Since January 2009, Ms. Winfrey has served as the Chairman of her cable network, OWN: Oprah Winfrey Network, taking on the role of Chief Executive Officer in July 2011. Previously, she founded Harpo, Inc. in 1986, under which she has launched numerous media and entertainment businesses, including O, The Oprah Magazine and Harpo Films, in addition to producing the award-winning talk show The Oprah Winfrey Show for 25 years. Ms. Winfrey is a global media leader, philanthropist, producer and actress. She also has been serving as a member of the Smithsonian s advisory council since 2004.

**Director Qualifications**

When considering whether directors and nominees have the experience, qualifications, attributes and skills, taken as a whole, to enable the Board of Directors to satisfy its oversight responsibilities effectively in light of the Company s business and structure, the Board of Directors and NCG Committee focused primarily on each person s background and experience as reflected in the information discussed in each of the directors individual biographies set forth immediately above. In particular, the Board of Directors and NCG Committee considered:

Mr. Debbane s experience as a management consultant and private equity investor and his extensive knowledge and understanding of international corporate strategy, brand management, complex financial matters, and numerous and varied global industries.

Dr. Altschuler s experience as a senior executive and physician for a leading healthcare organization and his extensive knowledge and understanding of the healthcare industry, general management and business operations, complex regulatory matters, and financial management and accounting.

Ms. Bornstein s experience as a senior executive specializing in digital products and marketing technology for leading online services companies and her extensive knowledge and understanding of consumer loyalty programs, e-commerce and financial management and accounting.

Ms. Brown s experience as the chief executive officer of the American Diabetes Association, the largest voluntary health organization in the United States and a global authority on diabetes, and her extensive knowledge and understanding of consumer behavior, including membership strategy and experiences, subscription offerings and financial management and accounting.

Mr. Fajgenbaum s experience as a management consultant and private equity investor and his extensive knowledge and understanding of consumer marketing and brand management, business development and licensing, international business and general management, and corporate strategy.

Ms. Grossman s experience in building and transforming consumer brands and her expertise in strategy, marketing and business development, as well as her position as President and Chief Executive Officer of the Company having responsibility for the day-to-day oversight of the Company s business operations.

Mr. Kelly s experience in investment banking and strategic transactions and his extensive knowledge and understanding of corporate finance and accounting, business development and international corporate strategy.

Ms. Rice s experience as an entrepreneur building communities and talent networks and developing new retail experiences and her extensive knowledge and understanding of brand communities, the fitness industry and consumer environments.

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Mr. Semmelbauer s experience with Internet and technology companies for over 25 years, including as part of the founding team of WeightWatchers.com, and his extensive knowledge and understanding of digital product development, e-commerce, technology and general management processes and operations.

Mr. Sobecki s experience as a private equity investor and his extensive knowledge and understanding of global corporate strategy, corporate finance and accounting, capital market investment and operations, and general management processes and operations.

Ms. Winfrey s experience as a global media leader, entrepreneur, motivational speaker and senior executive in varied media companies and her extensive knowledge and understanding of global brand management, marketing strategy, organizing at the local and global level, and general management processes and operations.

In addition, with regard to each of Messrs. Debbane, Fajgenbaum and Sobecki, the Board of Directors and NCG Committee also considered their respective positions with The Invus Group, LLC, the exclusive investment advisor to Artal.

**Arrangements and Understandings**

As previously disclosed, the Share Purchase Agreement the Company entered into with Ms. Winfrey on October 18, 2015 provides Ms. Winfrey with the right to be nominated as director of the Company for so long as she and certain permitted transferees own at least 3% of the Company s issued and outstanding Common Stock. Additionally, pursuant to the Corporate Agreement the Company entered into with Artal in November 2001, which was amended in July 2005, the Company agreed that so long as Artal beneficially owns 3% or more of its then outstanding voting stock, Artal has the right to nominate a number of directors approximately equal to that percentage multiplied by the number of directors on the Board of Directors. This right to nominate directors does not restrict Artal from nominating a greater number of directors. See *Transactions with Related Persons and Certain Control Persons Transactions with Related Persons* for further information on these arrangements.

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## PRINCIPAL ACCOUNTANT FEES AND SERVICES

**Audit Fees**

Audit fees for fiscal 2018 and fiscal 2017 were for professional services rendered by PricewaterhouseCoopers in connection with its (i) integrated audits of our consolidated financial statements and internal control over financial reporting as of and for fiscal 2018 and fiscal 2017, including statutory audits of the financial statements of our subsidiaries, (ii) reviews of our unaudited consolidated interim financial statements as of and for each of the quarterly interim periods within fiscal 2018 and fiscal 2017 and (iii) reviews of documents filed with the SEC.

**Audit-Related Fees**

Audit-related fees were for assurance and related services rendered by PricewaterhouseCoopers that were reasonably related to the performance of the audit or the review of our financial statements and not included in audit fees. Such fees for fiscal 2018 and fiscal 2017 were related to the issuance of various special reports, including statutory reports.

**Tax Fees**

Tax fees for fiscal 2018 and fiscal 2017 were for services rendered by PricewaterhouseCoopers primarily related to tax compliance and various special projects (including advice on tax examinations).

**All Other Fees**

All other fees for fiscal 2018 and fiscal 2017 were for services rendered by PricewaterhouseCoopers primarily related to assistance with statutory account filings and other miscellaneous professional services. All other fees for fiscal 2018 also included services related to a cybersecurity risk assessment.

All audit-related services, tax services and other services were pre-approved by the Audit Committee, which concluded that the provision of such services by PricewaterhouseCoopers was compatible with the maintenance of that firm s independence in the conduct of its auditing functions. The Audit Committee s Pre-Approval Policy for Audit and Non-Audit Services provides for pre-approval of audit, audit-related, tax and other services specifically described in appendices to the policy. Such services are pre-approved up to a specified fee limit and for a term of 12 months from the date of pre-approval, unless the Audit Committee provides for a different period. All other permitted services, as well as proposed services exceeding the pre-approved fee limit, must be separately pre-approved by the Audit Committee. Requests for services that require the specific approval by the Audit Committee must be submitted to the Audit Committee by both our independent registered public accounting firm and our Chief Financial Officer and/or SVP Corporate Controller, and must include a joint statement as to whether, in their view, the request is consistent with the SEC s rules on auditor independence. The policy authorizes the Audit Committee to delegate to one or more of its members pre-approval authority with respect to permitted services. The Audit Committee delegated specific pre-approval authority to its chairperson, provided that the estimated fee for any such proposed pre-approved service does not exceed $75,000 in the aggregate. Pursuant to this delegation, the chairperson must report any pre-approval decision to the Audit Committee at its next scheduled meeting.

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**Principal Accountant Fees and Services**

Aggregate fees for professional services rendered to us by PricewaterhouseCoopers for fiscal 2018 and fiscal 2017:

| | Fiscal 2018 | Fiscal 2017 |
|---|---|---|
| Audit Fees | $ 3,573,062 | $ 3,391,398 |
| Audit-Related Fees | 37,022 | 3,241 |
| Tax Fees | 1,045,191 | 637,492 |
| All Other Fees | 239,361 | 59,085 |
| Total Fees | $ 4,894,636 | $ 4,091,216 |

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## AUDIT COMMITTEE REPORT

The following is the report of the Audit Committee of the Board of Directors with respect to the Company s audited financial statements for fiscal 2018.

The Audit Committee is governed by the Audit Committee Charter adopted by the Company s Board of Directors. Our Board of Directors has determined that each current member of the Audit Committee, Denis F. Kelly, Steven M. Altschuler and Tracey D. Brown, is an independent director based on Rule 10A-3 of the Exchange Act, the listing standards of Nasdaq, and our Corporate Governance Guidelines, and that Mr. Kelly is an audit committee financial expert as defined by SEC rules.

The Audit Committee reviews the Company s financial reporting process on behalf of the Board of Directors. The Audit Committee has met, reviewed and discussed the Company s audited financial statements with management, which has primary responsibility for the financial statements and the reporting process, including the system of internal controls. In this context, the Audit Committee has held discussions with management and PricewaterhouseCoopers, the Company s independent registered public accounting firm for fiscal 2018, regarding the fair and complete presentation of the Company s financial position and results of operations in accordance with accounting principles generally accepted in the United States of America and regulations of the SEC. The Audit Committee also has held discussions with management and PricewaterhouseCoopers regarding the effectiveness of the Company s internal control over financial reporting in accordance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002. The Audit Committee has discussed significant accounting policies applied by the Company in its financial statements, as well as alternative treatments. Management has represented to the Audit Committee that the Company s consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. PricewaterhouseCoopers is responsible for expressing an opinion on the conformity of the Company s financial statements with accounting principles generally accepted in the United States of America. The Audit Committee has also discussed with PricewaterhouseCoopers the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC.

In addition, the Audit Committee has received the written disclosures and the letter from PricewaterhouseCoopers required by the applicable requirements of the Public Company Accounting Oversight Board, regarding the independent registered public accounting firm s communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm its independence. The Audit Committee has also considered whether the independent registered public accounting firm s provision of non-audit services to the Company is compatible with the auditor s independence. The Audit Committee has concluded that PricewaterhouseCoopers is independent from the Company and its management. The Audit Committee has pre-approved all fiscal 2018 audit and permissible non-audit services and the fees associated with those services. Further, the Audit Committee has discussed with PricewaterhouseCoopers the overall scope and plans for the audit.

Based upon the review and discussions referred to above, the Audit Committee recommended to the Company s Board of Directors, and the Board of Directors approved, that the Company s audited financial statements be included in the Company s Annual Report on Form 10-K for fiscal 2018.

The Audit Committee has selected PricewaterhouseCoopers as the Company s independent registered public accounting firm for fiscal 2019, and the Board of Directors has approved submitting such selection to the shareholders for ratification.

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This report is being provided by the following independent directors who constituted the Audit Committee as of April 2, 2019, the date of the approval of this report by the Audit Committee.

Respectfully submitted,

Audit Committee

Denis F. Kelly, Chair

Steven M. Altschuler

Tracey D. Brown

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**COMPENSATION COMMITTEE REPORT**

The Compensation and Benefits Committee has reviewed and discussed the section entitled *Compensation Discussion and Analysis* with management. Based on the review and discussion, the Compensation Committee recommended to the Board of Directors that the section entitled *Compensation Discussion and Analysis* be incorporated by reference in the Company s Annual Report on Form 10-K for fiscal 2018 and included in this Proxy Statement.

Respectfully submitted,

Compensation and Benefits Committee

Raymond Debbane, Chair

Steven M. Altschuler

Christopher J. Sobecki

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## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

This discussion explains the Company s executive compensation program with respect to fiscal 2018 as it relates to the following named executive officers :

| | |
|---|---|
| Mindy Grossman | President and Chief Executive Officer |
| Nicholas P. Hotchkin[(1)] | Chief Financial Officer, Operating Officer, North America and President, Emerging Markets |
| Stacey Mowbray[(2)] | Former President, North America |
| Corinne Pollier(-Bousquet) | President, International |
| Michael F. Colosi | General Counsel and Secretary |

(1) Mr. Hotchkin began serving as the Company s Operating Officer, North America on March 8, 2019 and President, Emerging Markets on March 15, 2018, in addition to his serving as the Company s Chief Financial Officer.

(2) Ms. Mowbray ceased serving as the Company s President, North America on March 8, 2019 and left the Company on March 22, 2019.

This discussion has three sections with respect to fiscal 2018 executive compensation. In the first section, we discuss our approach to executive compensation, including our philosophy, objectives and general principles as they relate to the named executive officers. In the second section, we discuss specific practices as they relate to the five elements of our executive compensation program. In the third section, we provide analysis of decisions regarding compensation for the named executive officers with respect to fiscal 2018. We have also included a brief discussion of certain elements of the Company s 2019 executive compensation program that differ from the 2018 program.

The Compensation Committee considered the voting results of the advisory, non-binding say-on-pay vote at our 2018 Annual Meeting in connection with the discharge of its responsibilities. Our shareholders expressed their support of our named executive officer compensation with a majority of the votes cast voting to approve the compensation of our named executive officers described in our 2018 proxy statement. While the majority vote reflected continued support of our executive compensation program, this level of support was a decline from the prior years advisory votes. The Compensation Committee considered this outcome and asked management to seek additional shareholder input. The Company s Vice President, Investor Relations and its General Counsel and Secretary subsequently engaged in discussions with certain institutional investors. These investors expressed appreciation for our outreach efforts. The agenda for these discussions primarily centered on the one-time hiring awards and benefits that were described in our 2018 proxy statement. Additional topics discussed included the institutions overall views regarding prudent corporate governance, including board composition, executive compensation, risk and strategy oversight, and governance structure. Following the Compensation Committee s review and consideration of this shareholder support, as well as the other factors discussed in more detail in *Determination of Executive Compensation* , the Compensation Committee determined to make no changes to its approach to executive compensation except as discussed further in this *Compensation Discussion and Analysis* . We understand the importance of shareholder outreach. The Company expects to do additional shareholder outreach in fiscal 2019.

### Executive Compensation Approach

#### *Our Philosophy, Objectives and Principles*

The Company s executive compensation philosophy is to attract, motivate and retain exceptionally talented executives who are passionate about the Company s mission to inspire people to adopt healthy habits for real life.

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In furtherance of this philosophy, our executive compensation program is designed to achieve the following key objectives:

- **Attract, Motivate and Retain Exceptional Talent**. Ensure that executive compensation serves to attract, motivate and retain exceptionally talented executives critical to our near- and long-term success.

- **Pay for Performance**. Align executive compensation with performance measures that ensure a strong connection between executive compensation and both (i) Company and individual performance on near- and long-term strategic and financial goals and (ii) creation of shareholder value.

The following principles guide us in developing executive compensation programs and setting total compensation levels for executives:

- Compensation levels should be closely tied to the performance and success of the Company as well as the executive s contribution to the Company s performance and success.

- Compensation programs should offer an opportunity for greater compensation for exceptional and superior performance, balanced by the risk of lower compensation when performance is less successful.

- While incentivizing strong Company performance and success, compensation programs should not encourage excessive risk taking.

- The mix and level of compensation for an executive should reflect the importance of the executive to the Company, competition for that executive s talent, and relative levels of compensation for other executives at the Company.

***Elements of Executive Compensation***

In furtherance of our compensation philosophy and in order to achieve the key objectives listed above, for the Company s executive compensation program in fiscal 2018, we used the following compensation elements:

- Base salary;

- Cash bonuses such as an annual, performance-based cash bonus;

- Long-term equity incentive compensation such as restricted stock units ( RSUs ) and PSUs (together with RSUs, Stock Units );

- Retirement and deferred compensation plans, and agreements defining when termination payments and other benefits are payable upon a change of control of the Company or otherwise; and

- Benefits and perquisites.

These elements combine to promote the Company s compensation philosophy and achieve the Company s compensation objectives as described above. Base salary, retirement and deferred compensation plans, change of control and other termination payments and benefits, and perquisites and other benefits provide a basic level of compensation that helps attract, motivate and retain exceptionally talented executives. Increases in base salary and annual, performance-based cash bonuses reward achievement of annual goals and progress towards multi-year goals important to the Company s near- and long-term financial and strategic success. Equity-based incentive compensation aligns an executive s compensation directly with the creation of shareholder value by rewarding performance and the achievement of both long- and short-term goals important to the Company s strategic objectives and serves as a form of compensation to attract, motivate, and help retain the executive over time.

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For senior executives, including the named executive officers, the Company believes that variable compensation such as equity-based and performance-based compensation should be a higher percentage of total compensation than for less senior executives. We feel that this type of compensation relates most directly to the achievement of business, strategic and financial objectives and goals and to building shareholder value, and the performance of senior executives has a strong and direct impact on achieving these objectives and goals and building shareholder value.

In making decisions with respect to any element of an executive s compensation, the Company considers the total current compensation that may be awarded to the executive, including base salary, annual, performance-based cash bonus, and long-term equity incentive compensation. The Company s goal is to award compensation that is reasonable in relation to the Company s compensation philosophy and objectives when all elements of potential compensation are considered.

***Competitive Considerations***

The Company is a unique, global organization that operates and recruits across diverse markets and types of business lines and necessarily must make each compensation decision in the context of the particular situation, including the characteristics of the executive s specific role, responsibilities, qualifications and experience. The Company takes into account general information about the competitive market for talent, but because of the uniqueness and mix of business in which the Company is engaged, the Company believes that strict benchmarking against a select group of companies does not provide a meaningful basis for establishing compensation. Therefore, the Company does not attempt to maintain a specific target percentile with respect to a specific list of peer or benchmark companies in determining compensation for senior executives, including named executive officers. However, the Company does periodically review information regarding compensation trends and levels from a variety of sources in order to obtain a general understanding of current compensation practices. These sources vary depending on the position as well as geography. These sources include broad public company indexes and resources and market data provided by third parties. For example, in fiscal 2018, the Compensation Committee reviewed certain general cross-industry market data related to executive compensation that was provided by Willis Towers Watson ( Willis Towers ), an independent executive compensation consulting firm, in connection with the Compensation Committee s engagement of Willis Towers as further discussed below.

***Policy Regarding Executive Common Stock Ownership***

The Company has no formal policy regarding Common Stock ownership or retention by the Company s senior executives, including the named executive officers. However, the Company encourages senior executives to retain ownership of a portion of the equity-based incentive compensation that they have been awarded. The Company encourages this equity retention so that our senior executives interests are more closely aligned with the interests of our shareholders.

***Policy Regarding Hedging***

Pursuant to the Company s Amended and Restated Securities Trading Policy, all Company employees (including officers) and directors may not engage in any hedging or monetization transactions with respect to Company securities, including, but not limited to, through the use of financial instruments that are designed to hedge or offset any decrease in the market value of equity securities granted as compensation or held directly or indirectly, such as exchange funds, prepaid variable forwards, equity swaps, puts, calls, collars, forwards and other derivative instruments. Short-term investment activity in Company securities, such as trading in or writing options, arbitrage trading or day trading, is also prohibited. In addition, employees and directors may not take short positions in Company securities.

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**Determination of Executive Compensation**

***Roles and Responsibilities***

The Compensation Committee determines the compensation for each of the named executive officers. All three Compensation Committee members are non-employee directors of the Company. Mr. Amouyal, who served as a member of the Compensation Committee during fiscal 2018 and ceased his service as a member effective February 26, 2019, was also a non-employee director of the Company. From time to time during the fiscal year, the Compensation Committee reviews the base salary, cash bonuses, equity-based incentive compensation and other material benefits, direct and indirect, of the named executive officers.

The Chief Executive Officer does not participate in the Compensation Committee s deliberations or decisions with regard to her compensation. At the Compensation Committee s request, the Chief Executive Officer reviews the performance of the other named executive officers. Typically, no other senior executive, except the Company s principal human resources executive, has any regular input into executive compensation decisions. The Compensation Committee gives consideration, when determining appropriate executive compensation, to the named executive officer s impact on the Company s results, scope of responsibility, past accomplishments and prior experience, data on prevailing compensation levels and other similar factors. The Compensation Committee also gives considerable weight to the Chief Executive Officer s evaluation of the other named executive officers because of her direct knowledge of each executive s performance, responsibilities and contributions. For each named executive officer, the Compensation Committee determines each component of compensation based on its assessment of the executive s achievement of his or her individual performance goals and objectives, as applicable, as well as the Company s overall achievement of its goals and objectives.

From time to time, the Compensation Committee has engaged outside consulting firms to review aspects of the executive compensation program for the Company s executives. The Compensation Committee periodically seeks input from these outside consulting firms on a range of external market factors, including evolving compensation trends and market survey data. For example, as discussed above, the Compensation Committee engaged Willis Towers in fiscal 2018 to provide general cross-industry market data related to executive compensation in order to gain a general understanding of current compensation practices and trends. This engagement commenced and concluded in July 2018. These outside consulting firms may also provide general observations on the Company s compensation programs, but do not determine the amount or form of compensation for any executive. The Compensation Committee may consider these inputs, observations and information as one factor in making decisions with respect to compensation matters along with information and analyses it receives from management and its own judgment and experience. The Compensation Committee has the ultimate authority to engage compensation consultants.

Ms. Grossman is employed by the Company pursuant to an employment agreement she entered into with the Company on April 21, 2017 (the Grossman Employment Agreement ). In accordance with local practice in France, Ms. Pollier is also employed by the Company pursuant to an employment agreement. Ms. Mowbray was employed by the Company pursuant to an employment agreement in accordance with local practice in Canada. None of the other named executive officers has an employment agreement with the Company.

***Base Salary***

The objective of base salary is to provide fixed compensation to an executive that reflects his or her job responsibilities and performance. Base salary is determined for the named executive officers by the Compensation Committee based on its subjective evaluation of a variety of factors, including the executive s position, level and scope of responsibility, prior experience and past accomplishments. In addition, the Compensation Committee reviews data on prevailing compensation levels to obtain a general understanding of current base salary practices.

Base salary levels are reviewed and approved by the Compensation Committee annually, typically in the first fiscal quarter, as part of the Company s performance review process as well as upon a hiring, promotion or other change in job responsibilities. Base salary levels are based on the Compensation Committee s evaluation of the individual s strengths, performance, development and expected future contributions with respect to the Company s goals and objectives, including those related to strategic initiatives, relevant to the individual s compensation, as well as the Company s overall financial performance and other general economic factors in the marketplace such as inflation. In addition, the Compensation Committee compares the base salaries of the named executive officers to ensure internal equity.

***Cash Bonuses***

***Annual, Performance-Based Cash Bonus***

The Company s executive compensation program provides for a variable cash bonus that is linked to annual performance. The objective of this compensation element is to compensate executives annually based on the achievement of specific individual and Company annual performance objectives, as applicable.

Each named executive officer s annual cash bonus is determined as a percentage of the executive s base salary. As with base salary, the Compensation Committee determines each named executive officer s annual target bonus percentage based on its subjective evaluation of a variety of factors, including the executive s position, level, scope of responsibility and expected future contributions, and review of competitive conditions and data on prevailing compensation practices and levels. From time to time, the Compensation Committee reviews executives annual target bonus percentages and may make adjustments based on the Compensation Committee s evaluation of an executive s strengths, development and expected future contributions, changes in the executive s responsibilities, and internal pay equity, as well as its review of data on prevailing compensation practices and levels.

In most years, the target bonus percentage for each named executive officer may be over- or under-achieved based on a combination of the achievement of the Company s financial performance goals in the fiscal year and the named executive officer s performance during the fiscal year against his or her individual performance goals, except in the case of the Company s Chief Executive Officer and Chief Financial Officer, whose annual, performance-based cash bonuses are based solely on the achievement of the Company s financial performance goals in the fiscal year. In fiscal 2018, the Company weighted its financial performance goals as follows: (i) 33.3% with respect to revenue trends in the first quarter of fiscal 2018 and (ii) 66.7% with respect to operating income objectives for fiscal 2018.

In fiscal 2018, for Ms. Grossman and Mr. Hotchkin, the overall financial performance of the Company for the fiscal year according to the weighting detailed above determined 100% of her and his annual, performance-based cash bonus. In fiscal 2018, for Ms. Mowbray, 75% of her annual, performance-based cash bonus was determined by financial performance according to the weighting detailed above as follows: (i) with respect to the applicable Q1 Revenue Goals (as defined hereafter), a combination of the overall financial performance of the Company (50%) and the financial performance of the Americas business (50%) and (ii) with respect to the applicable OI Goals (as defined hereafter), a combination of the overall financial performance of the Company (25%) and the financial performance of the North America business (75%). Ms. Mowbray s individual performance determined the remaining 25% of such cash bonus. In fiscal 2018, for Ms. Pollier, 75% of her annual, performance-based cash bonus was determined by financial performance according to the weighting detailed above as follows: (i) with respect to the applicable Q1 Revenue Goals, a combination of the overall financial performance of the Company (50%) and the financial performance of the CE, ANZ and UK businesses (50%) and (ii) with respect to the applicable OI Goals, a combination of the overall financial performance of the Company (25%) and the financial performance of the CE, ANZ and UK businesses (75%). Ms. Pollier s individual performance determined the remaining 25% of such cash bonus. In fiscal 2018, for Mr. Colosi, the overall financial performance of the Company for the fiscal year according to the weighting detailed above determined 75% of his annual, performance-based cash bonus and his individual performance determined the remaining 25%.

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*General Guidelines and Performance Criteria for Annual, Performance-Based Cash Bonuses*

In general, for each fiscal year, each executive receives an annual, performance-based cash bonus payment between 0% and 200% of his or her target bonus percentage. An executive s annual, performance-based cash bonus payment is determined and computed based on the financial performance goal ratings applicable to the executive and resulting financial percentage payout amounts for the fiscal year and, except for the Chief Executive Officer and the Chief Financial Officer, the executive s individual performance rating and resulting individual percentage payout amount for the fiscal year.

The methodology and approach used by the Compensation Committee to determine these financial performance goal and individual performance ratings and related percentage payout amounts are as follows:

*Determination of Financial Performance Goal Ratings and Financial Performance Percentage Payouts*

The Compensation Committee generally establishes the financial performance goals each year based on the Company s internal annual operating plan. Historically, the Compensation Committee has generally selected target operating income objectives for financial performance goals. The Compensation Committee selected these operating income performance goals because they are important indicators of the Company s financial performance during the fiscal year and shareholder value. In keeping with its recent practice of seeking to balance incentives for first quarter revenue growth and full year profitability, the Compensation Committee determined that the 2018 financial performance goals should be based on the following objectives with the specified percentage allocations:

(i) 33.3% with respect to improving the Company s revenue trends, based on the achievement of certain revenue goals as reflected by target revenues in the first quarter of fiscal 2018 for the Company globally and for specified geographies, as applicable (each, a Q1 Revenue Goal ); and

(ii) 66.7% with respect to operating income objectives, based on the achievement of certain full year fiscal 2018 operating income goals for the Company globally and for specified geographies, as applicable (each, an OI Goal ).

Upon completion of the fiscal year, the Compensation Committee assesses the performance of the Company against the Company s financial performance goals by comparing the actual fiscal year results to the pre-determined target objectives. The Compensation Committee believes that the evaluation of the Company s financial performance goals is best achieved if the actual fiscal year results are adjusted to exclude certain items while the target objectives remain fixed. For the fiscal 2018 financial performance goals, the Compensation Committee reserved the ability to adjust the actual fiscal year results to exclude, if any, the effects of extraordinary, unusual or infrequently occurring events or changes in accounting principles and to exercise discretion with respect to (i) in the case of a Q1 Revenue Goal, material matters of managerial or accounting judgment, and (ii) in the case of an OI Goal, matters of accounting judgment, allocation and relative financial performance between business units. The Compensation Committee did not exercise its ability to adjust actual fiscal 2018 results.

In fiscal 2018, the financial performance goal ratings, and the corresponding financial performance percentage payouts, for the portion of each named executive officer s annual cash bonus determined by the Company s achievement of its financial performance goals was determined based on the following scales:

**Range of Financial Performance Goal Ratings/Percentage Payouts Q1 Revenues**

| Percentage of Target Revenues Achieved during Q1 Fiscal 2018 | Q1 Fiscal 2018 Revenue Financial Performance Goal Rating/Percentage Payout* |
|---|---|
| Less than 96% | 0% |
| 96% | 50% |
| 100% | 100% |
| 104% and greater | 200% |

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**Range of Financial Performance Goal Ratings/Percentage Payouts Full Year Operating Income**

| Percentage of Target Operating Income Achieved during Fiscal 2018 | Fiscal 2018 Operating Income Financial Performance Goal Rating/Percentage Payout* |
|---|---|
| Less than or equal to 85% | 0% |
| 90% | 33.33% |
| 100% | 100% |
| 105% | 150% |
| 110% and greater | 200% |

* The financial performance goal rating for a percentage of the target achieved for the fiscal year that fell between target percentages set forth above was calculated on a proportional, sliding scale between the target percentages. For example, if the Company had achieved 95% of its target global operating income for the fiscal year, the global operating income financial performance goal rating and corresponding financial performance percentage payout for the named executive officer would have been 66.67%.

The Compensation Committee establishes the financial performance goals so that the minimum performance level is reasonably likely to be achieved, while the target financial performance goals are more challenging. For example, with respect to the global Q1 Revenue Goal, the revenue target assumed significant revenue growth versus the prior year period and the related percentage payout threshold aligned with such goal for the period. In recent fiscal years, the Company has met, exceeded and not achieved the target financial performance goals.

*Determination of Individual Performance Rating and Individual Performance Percentage Payout*

All executives, including named executive officers other than the Chief Executive Officer and Chief Financial Officer, have individual performance goals for each fiscal year. Typically, individual performance goals are set by the executive s manager during each fiscal year and vary depending on the Company s business and strategic plan and objectives and each executive s individual responsibilities. The executive s manager determines after the end of each fiscal year the executive s individual performance rating for the past year based on the executive s performance against his or her individual performance goals. The executive s manager also determines the individual performance percentage payout for the executive based on his or her individual performance rating.

An executive can receive an individual performance percentage payout of between 0% and 200% for the portion of his or her annual cash bonus determined by the executive s individual performance. Achieving the target individual performance goal for all individual performance objectives would yield an individual performance percentage payout of between 80% and 110% as determined in the discretion of the executive s manager. An executive is only eligible for an annual, performance-based cash bonus if he or she is awarded by his or her manager an individual performance percentage payout of 25% or more, regardless of whether the Company achieves the threshold financial performance goals for the year. Typically, the Chief Executive Officer initially determines the individual performance percentage payouts for the other named executive officers (other than the Chief Financial Officer whose payout is based solely on the Company s financial performance percentage payout). These individual performance percentage payout determinations are then reviewed by the Compensation Committee when it approves the named executive officers annual, performance-based cash bonuses.

*Payout of Annual, Performance-Based Cash Bonus*

After the close of a fiscal year, the Compensation Committee determines and approves the amount of the annual, performance-based cash bonus to be paid to each named executive officer. The payout generally occurs in March or April of the fiscal year following the fiscal year to which the annual, performance-based cash bonus

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relates. There is no provision for the adjustment or recovery of a cash bonus paid to a named executive officer if the results in a previous year are subsequently restated or adjusted in a manner that would have originally resulted in a smaller or larger bonus. However, the annual, performance-based cash bonus is not paid until after the completion of the annual audit of the Company s financial statements by the Company s independent registered public accounting firm for the applicable fiscal year.

***Other Cash Bonuses***

From time to time, in order to attract or retain executive talent or to reward performance outside of the executive s individual responsibilities, the Compensation Committee may award other cash bonuses to executives.

***Long-Term Equity Incentive Compensation***

The Compensation Committee may periodically award executives, including the named executive officers, stock options, RSUs, PSUs and/or other equity-based awards. The principal objective of the Company s long-term equity incentive compensation program is to align compensation for executives over a multi-year period directly with the interests of shareholders of the Company. The Company believes that granting equity-based awards provides executives with a strong financial incentive to maximize shareholder returns over the longer term. The Company also believes that the practice of granting equity-based awards is important in recruiting, retaining and motivating the key talent necessary to ensure the Company s continued success and, in the case of performance equity-based awards, in aligning compensation with the Company s long-term strategic goals.

*Mix of Equity Incentive Compensation*

The Company s long-term equity incentive compensation has historically taken the form of a mix of non-qualified stock option and RSU awards and more recently a mix of RSU and PSU awards. Stock options and Stock Units incentivize shareholder value creation in slightly different ways. Stock options (which historically have generally only had time-vesting criteria to vest ( Time-Vesting Options ), terminated within ten years from date of grant, and had exercise prices equal to the average of the closing price of our Common Stock on the grant date and the four previous trading days) reward executives only if the stock price increases in comparison to the exercise price. Thus, stock options directly incentivize creation of shareholder value after the grant date. Stock Units (which vary in value depending on the stock price of our Common Stock prior to vesting) are impacted by all stock price changes, so the value to executives is affected by both increases and decreases in stock price from the market price at the date of grant.

In fiscal 2016, the Compensation Committee determined to depart from its then-current practice of awarding solely RSUs for the annual, long-term equity incentive compensation awards and introduce performance-based vesting criteria into the annual award program to further align its long-term equity incentive compensation program with the Company s long-term strategic goals. In connection with this determination, the annual awards for fiscal 2016 consisted of a mix of RSUs and PSUs. The Compensation Committee continued this practice of awarding a mix of RSUs and PSUs for the fiscal 2017 and fiscal 2018 annual awards. For further details on this mix of RSUs and PSUs, see *2018 Executive Compensation Determinations Named Executive Officers Long-Term Equity Incentive Compensation Annual Awards* below. The Compensation Committee continued to believe that an annual award consisting solely of Stock Units was the most appropriate form of long-term equity incentive compensation to award our executives. Although an RSU s or PSU s value may increase or decrease with changes in the stock price during the period before vesting, it will continue to have value in the long-term, encouraging retention and achievement of strategic goals, as well as rewarding shareholder value creation. The Compensation Committee may in the future adjust this mix of award types or approve different award types as part of the further development of its long-term equity incentive compensation program.

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*Types of Awards*

*Annual Awards.* Historically, annual awards consisted of Time-Vesting Options, RSUs or a combination of both. As discussed above, most recently, the annual awards consisted of RSUs and PSUs. Stock options granted with respect to annual awards generally have exercise prices equal to the average of the closing price of our Common Stock on the grant date and the four previous trading days as well as three-year cliff vesting, and are not subject to Company performance targets. RSUs granted with respect to annual awards generally have time-vesting criteria and are not subject to Company performance targets. PSUs granted with respect to annual awards have time- and performance-vesting criteria. Annual awards constituting stock options generally terminate on the tenth anniversary of their grant date. The Company s recent practice has been to grant annual awards in two equal installments: the first on May 15$^{th}$ of each year and the second on November 15$^{th}$ of each year; provided, however, in the event such date falls on a weekend, the applicable grant is made on the trading day immediately preceding that date. However, with respect to the fiscal 2015 annual award, RSUs were granted in one installment on June 15, 2015 and vested 50% on each of April 1, 2016 and April 1, 2017. With respect to the fiscal 2017 annual award, the Company granted the RSUs in two installments on May 15, 2017 (except in the case of Ms. Grossman s award, the first installment of which was granted on July 5, 2017, her employment commencement date) and November 15, 2017 consistent with its historical practice and granted the PSUs in one installment on May 15, 2017 (except in the case of Ms. Grossman s award, which one-time installment was granted on July 5, 2017). With respect to the fiscal 2018 annual award, the Company granted the RSUs in two installments on May 15, 2018 and November 15, 2018 consistent with its historical practice and granted the PSUs in one installment on May 15, 2018. See *Annual Equity Grant Procedures* for additional details on annual awards.

*Hiring Awards.* Historically, hiring awards consisted of Time-Vesting Options, RSUs or a combination of both. Hiring awards for newly-hired named executive officers, if granted, were granted promptly following their hire with their first day of employment coinciding with the grant date of the award. Stock options granted with respect to hiring awards generally have exercise prices equal to the average of the closing price of our Common Stock on the grant date and the four previous trading days. Generally, these stock options and RSUs vest proportionately and become exercisable in annual increments over a three- to five-year period. In addition, from time to time, hiring awards for newly-hired senior executives are structured such that the stock options and/or RSUs awarded are granted in two equal installments with grant dates that align with the grant dates of the annual awards made in the fiscal year of hire. In such cases, when a newly-hired senior executive commences employment after May 15$^{th}$, the grant date of the first installment has typically been the first day of employment or the 15$^{th}$ day of the calendar month following the first day of employment. These hiring awards that are aligned with annual awards generally vest proportionately and become exercisable in annual increments over a three- to five-year period and/or have three-year cliff vesting. The Compensation Committee may establish separate vesting and exercisability for each installment. Hiring awards constituting stock options generally terminate on the tenth anniversary of their grant date.

Ms. Grossman s hiring award in fiscal 2017 consisted of a combination of Time-Vesting Options and RSUs which were all granted in one installment on her first day of employment, July 5, 2017. These options and RSUs vest proportionately per year over four years on each anniversary of the grant date. The exercise prices for these options were not established per the Company s historical practice but were fixed prices agreed upon by the Compensation Committee in connection with the negotiation of the Grossman Employment Agreement to incentivize performance and creation of shareholder value. Additionally, unlike the Company s historical practice, these options terminate on the seventh anniversary of their grant date.

*Special Awards.* From time to time, special awards may be made to certain named executive officers in connection with a promotion, change in job responsibilities or other special circumstance. Historically, such special awards consisted of stock options, RSUs, PSUs or a combination thereof. With respect to stock options and RSUs granted, vesting and exercise prices are established at the time the Compensation Committee grants special awards. These special awards of stock options and RSUs generally have time-based vesting criteria in the

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form of annual increments over three to five years and any such stock option awards terminate on the tenth anniversary of their grant date.

*Annual Equity Grant Procedures*

The Compensation Committee administers our stock plans. In fiscal 2018, pursuant to its equity grant procedures, the Compensation Committee based annual awards on an aggregate dollar value based on a percentage of an executive s base salary which would then be converted into a number of RSUs and/or PSUs as described below. Pursuant to its equity grant procedures, for awards that are a mix of stock options, RSUs and/or PSUs, the aggregate dollar value is typically divided between the forms of equity based on percentage amounts approved by the Compensation Committee.

The Compensation Committee determined several years ago that annual awards would be granted in two equal installments. Historically, the first installment of an annual award is generally granted on May 15$^{th}$ of each year (except in the case of a new employee who is granted the right to participate in the annual award program in his or her year of hire and whose employment start date is after May 15$^{th}$, in which case the first installment is granted on the 15$^{th}$ day of the calendar month following such start date) and the second installment of an annual award is generally granted on November 15$^{th}$ of each year; provided, however, in the event such grant date falls on a weekend, the applicable grant is made on the trading day immediately preceding that date. To provide for these two grant dates for annual awards, and any hiring award or special award that contemplates two or more grant dates, the aggregate dollar amounts allocated to stock options, RSUs and/or PSUs, as applicable, is divided evenly by the applicable number of grant dates and the resulting dollar amounts are then converted into stock options, RSUs and/or PSUs per grant date as described below. In the case of the annual awards for the named executive officers in fiscal 2015, the Compensation Committee determined to not provide for two grant dates but to grant these annual awards in one installment on June 15, 2015 to create better incentives for employees to contribute to the execution of the Company s transformation plan. With respect to the fiscal 2017 annual award, the Company granted the RSUs in two installments on May 15, 2017 (except in the case of Ms. Grossman s award, the first installment of which was granted on July 5, 2017, her employment commencement date) and November 15, 2017 consistent with its historical practice and granted the PSUs in one installment on May 15, 2017 (except in the case of Ms. Grossman s award, which one-time installment was granted on July 5, 2017). With respect to the fiscal 2018 annual award, the Company granted the RSUs in two installments on May 15, 2018 and November 15, 2018 consistent with its historical practice and granted the PSUs in one installment on May 15, 2018.

Generally, when converting the aggregate dollar value for an annual award into a number of RSUs, PSUs or Time-Vesting Options, as applicable, the number of RSUs and PSUs granted has been determined based on the closing price of our Common Stock one week before the applicable grant date and the number of Time-Vesting Options granted has been determined based on the Black-Scholes value of an option with respect to our Common Stock one week before the applicable grant date.

Time-Vesting Options granted as an annual award have historically been generally granted at an exercise price determined by calculating the average of the closing price of our Common Stock on the grant date and the four previous trading days. In certain circumstances, these calculations may result in an exercise price in excess of or less than the closing price of our Common Stock on the grant date.

All equity awards granted to named executive officers require the approval of the Compensation Committee or the Board of Directors.

***Retirement and Deferred Compensation Plans, Termination Payments and Other Arrangements***

The objectives of the Company s retirement and deferred compensation plans and other retirement arrangements are to help provide financial security into retirement, reward and motivate tenure, and retain talent

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in a competitive market. In addition, the objective of the Company s termination payments to senior executives is to help attract talent in a competitive market and, in the event of payments upon a change of control, is to motivate certain executives to remain with the Company despite the uncertainty that may arise in the context of change of control situations.

*Savings Plans*

We sponsor a savings plan for salaried and certain hourly U.S. employees, including our U.S. named executive officers. The savings plan is a tax-qualified 401(k) retirement savings plan pursuant to which participants are able to contribute, on a pre-tax basis, up to the lesser of 50% of their eligible earnings and the limit prescribed by the Internal Revenue Service. To encourage a higher level of contribution by participants, in fiscal 2018, the Company matched 50 cents on each dollar of the participant s tax deferred contributions up to 6% of the participant s eligible earnings. All participant contributions to the savings plan are fully vested upon contribution. All matching contributions by the Company become vested on the date on which the participant s aggregate service to the Company totals three years. Matching contributions also fully vest immediately upon the participant reaching the age of 65, becoming permanently disabled or dying, or being terminated by the Company without cause .

We also provide a Group Registered Retirement Savings Plan for eligible, full-time Canadian employees, in which Ms. Mowbray participated. Contributions to this plan by participating employees are tax deductible. The Canada Revenue Agency imposes a limit on the aggregate annual contribution that an employee can make, and his or her employer and any third party can make for the employee s benefit, to the plan during a tax year. For the 2018 tax year, this annual limit was $19,232[(1)]. Generally, the Company matches an employee s contributions up to 5% of the employee s annual eligible earnings. In fiscal 2018, pursuant to the terms of her employment agreement, the Company made biweekly flat rate contributions to the plan for Ms. Mowbray s benefit of $20,262[(2)] in the aggregate. All Company and employee contributions to this plan are fully vested upon contribution.

(1) CA$26,230 converted to U.S. dollars using the applicable exchange rate on December 28, 2018 (i.e., $0.7332), the last business day of fiscal 2018.

(2) CA$26,230 converted into U.S. dollars using the average monthly exchange rate applicable to the month during which the contribution was made, such rates ranging from $0.7438 to $0.8047.

*Executive Profit Sharing Plan*

We have also established a non-qualified executive profit sharing plan for U.S. highly compensated employees, including the U.S. named executive officers. The executive profit sharing plan provides for a guaranteed monthly Company contribution for each participant based on the participant s age and the participant s eligible earnings. In addition, the executive profit sharing plan provides for supplemental Company contributions to be made at the discretion of the Company under certain circumstances which the Company has not made in recent years. The Company also credits each participant s executive profit sharing account with interest at an annual rate equal to the sum of (a) 2% plus (b) the annualized prime rate, as published in The Wall Street Journal, compounded as of the end of each fiscal month, subject to a cap of 15%.

The following table sets forth the guaranteed monthly contribution amounts based on selected ages of a participant:

| **Age of Participant** | **Guaranteed Monthly Contribution of Participant s Eligible Earnings** |
|---|---|
| 35-39 | 2.50% |
| 40-44 | 3.50% |
| 45-49 | 4.50% |
| 50-54 | 5.50% |
| 55-59 | 6.00% |
| 60 and Over | 6.50% |

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Contributions to a participant s executive profit sharing account are fully vested upon the date on which the participant s aggregate service to the Company totals three years. Contributions also generally fully vest immediately upon the participant reaching the age of 65, becoming permanently disabled or dying, or being terminated by the Company without cause . Generally, the vested contributions to a participant s executive profit sharing account are paid to the participant, or his or her beneficiary or legal representative, as the case may be, following the participant s termination of employment with the Company other than termination by the Company for cause in which case all benefits are forfeited by the participant. The timing of any such distribution following termination is subject to the terms of the executive profit sharing plan. The executive profit sharing plan also provides for certain early payments from a participant s executive profit sharing account in limited hardship situations subject to the terms of the plan.

*Termination Payments upon a Change of Control*

The Company has determined that it is in the best interests of its shareholders to reinforce and encourage the continued attention and dedication of our key executives to their duties, without personal distraction or conflict of interest in circumstances that could arise in connection with any change of control of the Company. Therefore, the Company has entered into continuity agreements with our named executive officers and certain other senior executives which provide for certain severance payments and provision of benefits upon a termination in connection with a change in control or, in the case of the named executive officers (other than Ms. Grossman) and such other executives, upon a termination for long-term disability, retirement or death. For a more fulsome discussion of these benefits, see *Potential Payments upon Termination, Retirement or Change of Control Payments Made Upon a Change of Control Continuity Agreements* .

*Other Retirement, Retention or Severance Arrangements*

The Company has no formal policy regarding retirement or retention arrangements. From time to time, the Compensation Committee or the Board of Directors in its discretion, based upon the nature or circumstances surrounding the hiring, promotion, retention or departure of an individual, or upon review of the transition and skill needs of the Company, competitive conditions and/or the relationship of a senior executive s compensation to the compensation of other senior executives of the Company, enters into retirement, retention and/or severance arrangements with certain senior executives, including certain named executive officers. Additionally, the Company is subject to certain statutory and, in some cases, common law requirements of the countries in which it operates that may give rise to certain benefits for its senior executives upon retirement, termination or other events. For additional details on these arrangements with and requirements with respect to the named executive officers, see *Potential Payments Upon Termination, Retirement or Change of Control* .

***Benefits and Perquisites***

The Company provides benefits to its salaried employees including health care coverage, life and disability insurance protection, reimbursement for educational expenses, a wellness-related allowance and access to favorably-priced group insurance coverage. The Company provides these benefits to help alleviate the financial costs and loss of income arising from illness, death or disability, to encourage ongoing education in job-related areas, to promote the wellness of its employees and to allow employees to take advantage of reduced insurance rates available for group policies. In addition to the benefits provided to salaried employees generally, the Company provides named executive officers with certain perquisites that the Company and the Compensation Committee believe are reasonable and consistent with the Company s overall compensation program to better enable the Company to attract and retain employees for key positions. These perquisites may include, as applicable, cost of living, housing, car and/or transportation allowances and reimbursement of costs associated with relocation, dependents education, temporary living arrangements, home leave travel and mobile devices (which are permitted to be used for personal matters) as well as tax gross-up payments with respect to such allowances and reimbursements and tax equalization in connection with certain assignments. The Compensation Committee periodically reviews the levels of benefits and perquisites provided to named executive officers.

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***Tax and Accounting Implications***

*Excess Parachute Payment Excise Taxes*

Under the terms of a continuity agreement (other than Ms. Grossman s continuity agreement) (i) if it is determined that certain payments and benefits provided under the agreement and under any other plan or arrangement with the Company and its affiliates in the aggregate would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code (the 280G excise tax ), or to any similar tax, and the aggregate value of the parachute payment exceeds a certain threshold amount calculated under the Internal Revenue Code by 5% or less, then (ii) the parachute payment will be reduced to the extent necessary so that the aggregate value of the parachute payment is equal to an amount that is less than such threshold amount; provided, however, that if the aggregate value of the parachute payment exceeds the threshold amount by more than 5%, then the executive will be entitled to receive an additional payment or payments in an amount such that, after payment by the executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any excise tax imposed upon this payment, the executive retains an amount equal to the excise tax imposed upon the parachute payment. Under the terms of Ms. Grossman s continuity agreement (i) if it is determined that the parachute payments would be subject to the 280G excise tax and the net after tax amount of such parachute payments (after the payment of all taxes) is less than the net after-tax amount of the parachute payments reduced to the maximum amount payable such that none of the parachute payments would be subject to the 280G excise tax (the reduced amount ), then the aggregate amount of such parachute payments to Ms. Grossman shall be reduced to such reduced amount and (ii) if it is determined that the net after tax amount of the full payment of such parachute payments is greater than the net after tax amount of the reduced amount, Ms. Grossman shall receive the aggregate parachute payments; provided that Ms. Grossman shall not be entitled to a receive an additional tax gross-up payment.

*Internal Revenue Code Section 409A*

If, under the continuity agreements or our stock plans, any payments or benefits that the Company would be required to provide under the continuity agreements or any of our stock plans cannot be provided in the manner contemplated in the continuity agreements or under the applicable plan without subjecting the executive to income tax under Section 409A of the Internal Revenue Code, the Company shall provide such intended payments or benefits to the executive in an alternative manner that conveys an equivalent economic benefit to the executive without materially increasing the aggregate cost to the Company.

*The Section 162(m) of the Internal Revenue Code $1 Million Deduction Limit*

Section 162(m) of the Internal Revenue Code ( Section 162(m) ) generally disallows a tax deduction to a public corporation for compensation over $1.0 million paid in any fiscal year to a company s chief executive officer or other named executive officers (excluding the company s principal financial officer, in the case of tax years preceding 2018). However, in the case of tax years preceding 2018, the statute exempted qualifying performance-based compensation from the deduction limit if certain requirements were met. Section 162(m) was amended in December 2017 by the Tax Cuts and Jobs Act to eliminate the exception for performance-based compensation (other than with respect to payments made pursuant to certain grandfathered arrangements entered into prior to November 2, 2017) and to expand the group of current and former executive officers who may be covered by the deduction limit under Section 162(m). For the Company s fiscal years prior to 2018, its shareholder approved incentive plans were structured to provide that certain awards could be made in a manner to qualify for the performance-based compensation exemption and the Compensation Committee generally sought to structure performance-based compensation for our named executive officers in a manner that complied with the corresponding Section 162(m) exemption. The Compensation Committee expects in the future to authorize compensation in excess of $1.0 million to named executive officers that will not be deductible under Section 162(m) when it believes doing so is in the best interests of the Company and its shareholders.

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*Accounting Considerations*

The Compensation Committee also considers the accounting and cash flow implications of various forms of executive compensation. In its financial statements, the Company records salaries and performance-based compensation incentives as expenses in the amount paid, or to be paid, to the named executive officers. Accounting rules also require the Company to record an expense in its financial statements for equity awards, even though equity awards are not paid as cash to employees. The accounting expense of equity awards to employees is calculated in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, Topic 718, Compensation  Stock Compensation. The Compensation Committee believes, however, that the many advantages of equity-based compensation, as discussed above, more than compensate for the non-cash accounting expense associated with them.

**2018 Executive Compensation Determinations**

The following is a discussion of the specific factors considered in determining base salary, cash bonuses and other payments and long-term equity incentive compensation for fiscal 2018 as well as other compensation matters for the named executive officers.

***Base Salary***

No action was taken during fiscal 2018 with respect to the base salary of Ms. Grossman. The table below identifies actions taken during fiscal 2018 with respect to the base salaries of the other named executive officers.

| Named Executive Officer | 2018 Base Salary and Action(s) (if any) |
|---|---|
| Mindy Grossman | $1,200,000 |
| Nicholas P. Hotchkin | Increase in annual base salary from $560,718 to $618,754 effective March 25, 2018 |
| Stacey Mowbray(1) | Increase in annual base salary from $438,358 (CA$597,869) to $451,508 (CA$615,805) effective April 1, 2018(2) |
| Corinne Pollier(-Bousquet) | Increase in annual base salary from $431,508 (  377,093) to $444,452 (  388,405) effective April 1, 2018(3) |
| Michael F. Colosi | Increase in annual base salary from $452,962 to $466,551 effective March 25, 2018 |

(1) Ms. Mowbray left the Company on March 22, 2019.
(2) Amounts shown in Canadian dollars were converted to U.S. dollars using the applicable exchange rate on December 28, 2018 (i.e., $0.7332).
(3) Amounts shown in euros were converted to U.S. dollars using the applicable exchange rate on December 28, 2018 (i.e., $1.1443).

The Compensation Committee decided to increase the base salary of Messrs. Hotchkin and Colosi and Mses. Mowbray and Pollier effective on or about March 31, 2018. In determining each such named executive officer  s increased base salary, the Compensation Committee reviewed his or her past performance of his or her job responsibilities and contributions made to the Company, competitive conditions and the relationship of his or her compensation to the compensation of other senior executives at the Company and determined that the increase in base salary was appropriate to reward performance, ensure retention and motivate performance against the Company  s strategic initiatives. Additionally, in the case of Mr. Hotchkin, the Compensation Committee decided to increase his base salary in connection with his appointment as President, Emerging Markets and upon review of his increased job responsibilities and expected future contributions to the Company in this role.

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***Cash Bonuses and Payments***

*Annual, Performance-Based Cash Bonus*

*Annual Target Bonus Percentages.* The following table identifies actions taken during fiscal 2018 with respect to the annual target bonus percentages of the named executive officers, as applicable.

| Named Executive Officer | Action |
|---|---|
| Nicholas P. Hotchkin | Increase in annual bonus target percentage from 75% to 85% effective starting with the fiscal 2018 bonus |
| Corinne Pollier(-Bousquet) | Increase in annual bonus target percentage from 50% to 60% effective starting with the fiscal 2018 bonus |

In determining each of Mr. Hotchkin s and Ms. Pollier s increased annual target bonus percentage, the Compensation Committee reviewed the increased demands of his or her job responsibilities, including, in the case of Mr. Hotchkin, his increased responsibilities as President, Emerging Markets, since the percentage was last fixed, the relationship of his or her compensation to the compensation of other senior executives at the Company and competitive conditions and determined that the increase in annual target bonus percentage was appropriate to reward performance, ensure retention and motivate further performance against the Company s strategic initiatives.

*Annual, Performance-Based Cash Bonus Fiscal 2018 Plan.* For fiscal 2018, the Company had to achieve at least $100.0 million of operating income for the named executive officers to be eligible to receive an annual, performance-based cash bonus. The Company reported operating income of $389.0 million. The actual annual, performance-based cash bonus for each named executive officer was determined using the guidelines and performance criteria generally applicable to all executives of the Company. The determination of the Company s financial performance bonus component was based on the following objectives with the specified percentage allocations: (i) 33.3% with respect to improving the Company s revenue trends, based on the achievement of certain revenue goals as reflected by target revenues in the first quarter of fiscal 2018 for the Company globally and for specified geographies; and (ii) 66.7% with respect to operating income objectives, based on the achievement of certain full year operating income goals for the Company globally and for specified geographies. The Q1 Revenue Goals were determined in December 2017 and the fiscal 2018 OI Goals were determined in March 2018 by the Compensation Committee. The Compensation Committee did not exercise its ability to adjust actual fiscal 2018 results.

The Company s global Q1 Revenue Goal, CE, ANZ and UK Q1 Revenue Goal and Americas Q1 Revenue Goal for annual, performance-based cash bonuses paid to executives generally was equal to $368.6 million, $108.4 million and $256.8 million, respectively. Based on the Q1 Revenue Goals and actual results, the Company achieved a financial performance percentage payout of 200% (67% weighted) with respect to each such financial performance goal.

The Company s global OI Goal, CE, ANZ and UK OI Goal and North America OI Goal for annual, performance-based cash bonuses paid to executives generally was equal to $404.0 million, $151.1 million and $338.2 million, respectively. Based on the OI Goals and actual results, the Company achieved the following financial performance percentage payouts with respect to this financial performance goal: global, 75.2% (50.2% weighted), CE, ANZ and UK, 63.5% (39.8% weighted) and North America, 141.8% (92.1% weighted).

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The following table shows the annual target bonus percentage and the overall bonus percentage payout for, and the related actual bonus paid to, each of the named executive officers for fiscal 2018:

| Named Executive Officer | Target Bonus Percentage (as a % of Fiscal Year Base Salary) | Overall Bonus Percentage Payout[1] | Actual Performance-Based Cash Bonus | Actual Performance-Based Bonus (as a % of 2018 Base Salary[2]) |
|---|---|---|---|---|
| Mindy Grossman | 150% | 116.8% | $ 2,101,651 | 175.1% |
| Nicholas P. Hotchkin | 85% | 116.8% | $ 598,573 | 99.2% |
| Stacey Mowbray | 60% | 137.6% | $ 375,171[3] | 78.8% |
| Corinne Pollier(-Bousquet) | 60% | 108.2% | $ 285,193[4] | 62.7% |
| Michael F. Colosi | 60% | 112.6% | $ 312,730 | 67.6% |

(1) Other than with respect to Ms. Grossman and Mr. Hotchkin, bonus percentage payouts were determined by a combination of the applicable financial performance percentage payout and individual performance percentage payout.
(2) See base salary amounts of the named executive officers reported in the column  *Salary*  of the *Summary Compensation Table*.
(3) Amount shown was paid in Canadian dollars and converted to U.S. dollars using the applicable exchange rate on March 6, 2019 (i.e., $0.7439), the date on which Ms. Mowbray s annual, performance-based cash bonus was approved.
(4) Amount shown was paid in euros and converted to U.S. dollars using the applicable exchange rate on March 6, 2019 (i.e., $1.1309), the date on which Ms. Pollier s annual, performance-based cash bonus was approved.

*Other Cash Payments*

No other cash bonuses were awarded to named executive officers with respect to fiscal 2018.

***Long-Term Equity Incentive Compensation***

*Annual Awards*

In fiscal 2018, the Compensation Committee determined that the annual award would consist of a mix of RSUs and PSUs. The Compensation Committee believed that including PSUs in the annual award program would further align executive compensation, including that of the named executive officers, with the Company s long-term strategic goals. In determining the size and mix of named executive officers  annual equity awards for fiscal 2018, the Compensation Committee reviewed the total current compensation that may be awarded to the executive, the potential impact the executive s position could have on the Company achieving the relevant goal, the achievement of business, strategic, individual, and financial objectives during the prior fiscal year, competitive conditions and the relationship of the executive s compensation to the compensation of other senior executives, and determined the size of the award based on a percentage of the executive s base salary as appropriate to reward and incentivize performance against strategic goals, ensure retention, and maintain appropriate compensation differentials among senior executives. See  *Determination of Executive Compensation Long-Term Equity Incentive Compensation Annual Equity Grant Procedures* above for additional details on the Compensation Committee s deliberations. All named executive officers received an annual award in fiscal 2018.

All annual award dollar amounts for the recipient named executive officers in fiscal 2018 were allocated 66.7% to RSUs, which were granted in two equal installments, and 33.3% to PSUs, which were granted in one installment. The dollar amount for each installment was converted into a number of RSUs and PSUs, as applicable, in accordance with procedures established by the Compensation Committee. In fiscal 2018, the recipient named executive officers received the following annual awards (the number of PSUs shown represents

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the applicable PSUs at the target level of performance) based on the dollar amounts, and on the grant dates, specified: Ms. Grossman ($4,800,000) received (i) 23,023 RSUs and 22,988 PSUs on May 15, 2018 and (ii) 29,738 RSUs on November 15, 2018; Mr. Hotchkin ($981,256) received (i) 4,706 RSUs and 4,699 PSUs on May 15, 2018 and (ii) 6,079 RSUs on November 15, 2018; Ms. Mowbray ($577,019[1]) received (i) 2,767 RSUs and 2,763 PSUs on May 15, 2018 and (ii) 3,574 RSUs on November 15, 2018; Ms. Pollier ($559,229[2]) received (i) 2,682 RSUs and 2,678 PSUs on May 15, 2018 and (ii) 3,464 RSUs on November 15, 2018; and Mr. Colosi ($566,203) received (i) 2,715 RSUs and 2,711 PSUs on May 15, 2018 and (ii) 3,507 RSUs on November 15, 2018. Additionally, in connection with his assumption of the role of President, Emerging Markets, the Compensation Committee determined to grant Mr. Hotchkin a one-time supplement to his annual award consisting of 7,056 PSUs (the number of PSUs represents the applicable PSUs at the target level of performance) based on a dollar amount of $490,628.

All RSUs granted to the recipient named executive officers as their annual award in fiscal 2018 will vest one-third per year over three years on each anniversary of the grant date. All PSUs granted to the recipient named executive officers as their annual award in fiscal 2018 have both time- and performance-vesting criteria. The time-vesting criteria will be satisfied on the third anniversary of the grant date (i.e., May 15, 2021). When determining the performance-vesting criteria, the Compensation Committee considered the Company s previously announced revenue and operating income targets. The performance-vesting criteria will be satisfied if the Company has achieved an Adjusted Operating Income (as defined in the Company s applicable term sheet for PSU awards) objective for fiscal 2020 (the Performance Year ). The number of PSUs that become vested, if any, upon the satisfaction of both vesting criteria shall be equal to (x) the target number of PSUs multiplied by (y) the applicable Achievement Percentage (as defined in the Company s applicable term sheet for PSU awards) (determined using linear interpolation if actual performance falls between any two levels), determined as follows, and rounded down to avoid the issuance of fractional shares:

| Level of Achievement | Adjusted Operating Income | Achievement Percentage |
|---|---|---|
| Below Threshold | Less than 90% of Operating Income Target Amount | 0% |
| Threshold | 90% of Operating Income Target Amount | 33.3% |
| Target | 100% of Operating Income Target Amount | 100% |
| Maximum | 105% or More of Operating Income Target Amount | 150% |

If, in addition to achieving the maximum level of achievement for Adjusted Operating Income (i.e., 105% or more of the Operating Income Target Amount (as defined in the Company s applicable term sheet for PSU awards)), the Company also has an achieved an Adjusted Revenue (as defined in the Company s applicable term sheet for PSU awards) objective for the Performance Year, then the recipient named executive officer may achieve an Achievement Percentage in excess of 150% as follows:

| Level of Achievement | Adjusted Operating Income | Achievement Percentage |
|---|---|---|
| Potential if Revenue Target is Achieved | 106%-110% or More of Operating Income Target Amount | 160%-200% |

(1) Amounts shown in Canadian dollars were converted to U.S. dollars using the applicable exchange rate on May 8, 2018 (i.e., $0.7721), the date on which the aggregate value of the award was approved by the Compensation Committee.

(2) Amounts shown in euros were converted to U.S. dollars using the applicable exchange rate on May 8, 2018 (i.e., $1.1864), the date on which the aggregate value of the award was approved by the Compensation Committee.

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At the time the performance goals were established, the metrics that were selected for the target performance were reasonably attainable, yet provide management with appropriate incentives to support the Company s financial goals. The Company believes that achievement of maximum performance against the goals would require exceptional corporate performance in the Performance Year.

*Fiscal 2016 And Fiscal 2017 PSU Annual Award Performance Measurement Certifications*

On February 25, 2019, the Compensation Committee certified that the performance criteria of the PSUs granted as part of the fiscal 2016 annual equity award had been satisfied at the maximum level of achievement of 166.67% based on the Company s achievement of a Debt Ratio (as defined in the Company s applicable term sheet for PSU awards and based on a Debt to EBITDAS ratio (each as defined therein)) as of December 29, 2018 less than 3.7. These PSUs remain subject to the time-vesting criteria that will be satisfied on May 16, 2019. Additionally, on February 25, 2019, with respect to the PSUs granted as part of the fiscal 2017 annual equity award, the Compensation Committee certified that the performance criteria established in connection with the third of the PSU award relating to the fiscal 2018 performance year had been satisfied at the maximum level of achievement of 166.67% based on the fiscal 2018 Adjusted Operating Income (as defined in the Company s applicable term sheet for PSU awards) target amount of $327 million and the corresponding number of PSUs were banked for each named executive officer. These PSUs remain subject to the time-vesting criteria that will be satisfied on May 15, 2020.

*Hiring Awards*

No hiring awards were granted to named executive officers in fiscal 2018.

***Mix of Compensation Elements***

As discussed above in *Executive Compensation Approach Elements of Executive Compensation* , the Company weights compensation for the named executive officers who participate in the Company s executive compensation program more toward variable, performance-based compensation. Approximately 76% of fiscal 2018 total compensation for named executive officers was variable, performance-based compensation (which includes short-term variable performance-based compensation and long-term variable performance-based compensation). As reflected in the *Summary Compensation Table*, aggregate fiscal 2018 compensation for the named executive officers was allocated as follows:

| | **Mix of Total Compensation in 2018** |
|---|---|
| Base Salary | 20% |
| Short-Term Variable Performance-Based Compensation(1) | 23% |
| Long-Term Variable Performance-Based Compensation(2) | 53% |
| Other Compensation(3) | 4% |
| Total | 100% |

(1) Represents annual, performance-based cash bonuses reported in the column *Non-Equity Incentive Plan Compensation* of the *Summary Compensation Table*.
(2) Represents RSU and PSU awards reported in the column *Stock Awards* of the *Summary Compensation Table*.
(3) Represents contributions to savings plans, contributions to and earnings on the executive profit sharing plan and perquisites and other personal benefits reported in the columns *Change in Pension Value and Nonqualified Deferred Compensation Earnings* and *All Other Compensation* , as applicable, of the *Summary Compensation Table*.

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**Certain Elements of 2019 Executive Compensation**

***Base Salary***

Ms. Grossman did not receive an increase in base salary for fiscal 2019.

***Annual, Performance-Based Cash Bonus***

The financial performance goal ratings and corresponding financial performance percentage payouts with respect to fiscal 2019 for certain executives of the Company, including the named executive officers, will be no greater than 100%.

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**SUMMARY COMPENSATION TABLE**

The table below summarizes the total compensation paid to or earned by each of the named executive officers as follows: for fiscal 2018, fiscal 2017 and fiscal 2016 with respect to Messrs. Hotchkin and Colosi and Mses. Mowbray and Pollier and for fiscal 2018 and fiscal 2017 with respect to Ms. Grossman.

| Name and Principal Position | Fiscal Year | Salary[1] | Bonus | Stock Awards[2] | Option Awards | Non-Equity Incentive Plan Compensation[3] | Change in Pension Value and Nonqualified Deferred Compensation Earnings[4] | All Other Compensation | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Mindy Grossman** | 2018 | $ 1,200,000 | | $ 5,183,199 | | $ 2,101,651 | $ 10,125 | $ 303,160[5] | $ 8,798,135 |
| President and Chief Executive Officer | 2017 | $ 544,615 | | $ 11,245,847 | $ 19,790,630 | $ 1,406,529 | $ 427 | $ 384,235 | $ 33,372,283 |
| **Nicholas P. Hotchkin** | 2018 | $ 603,129 | | $ 1,625,252 | | $ 598,573 | $ 22,216 | $ 110,002[6] | $ 2,959,172 |
| Chief Financial Officer, Operating | 2017 | $ 555,966 | $ 200,000 | $ 988,445 | | $ 777,714 | $ 13,690 | $ 78,393 | $ 2,614,208 |
| Officer, North America and President, Emerging Markets | 2016 | $ 538,809 | $ 100,000 | $ 991,280 | | $ 336,703 | $ 8,852 | $ 67,734 | $ 2,043,378 |
| **Stacey Mowbray**[7] | 2018 | $ 476,187 | | $ 622,953 | | $ 375,171 | | $ 71,632[8] | $ 1,545,943 |
| Former President, North America | 2017 | $ 433,046 | | $ 567,707 | | $ 414,573 | | $ 44,720 | $ 1,460,046 |
| | 2016 | $ 346,573 | | $ 486,411 | | $ 162,577 | | $ 34,816 | $ 1,030,377 |
| **Corinne Pollier (-Bousquet)**[9] | 2018 | $ 454,974 | | $ 603,796 | | $ 285,192 | | $ 47,095[10] | $ 1,391,057 |
| President, International | 2017 | $ 423,826 | | $ 521,252 | | $ 375,635 | | $ 42,126 | $ 1,362,839 |
| | 2016 | $ 395,218 | | $ 547,012 | | $ 156,958 | | $ 36,433 | $ 1,135,621 |
| **Michael F. Colosi** | 2018 | $ 462,893 | | $ 611,249 | | $ 312,730 | $ 11,398 | $ 71,342[11] | $ 1,469,612 |
| General Counsel and Secretary | 2017 | $ 450,279 | | $ 575,927 | | $ 445,438 | $ 6,617 | $ 61,258 | $ 1,539,519 |
| | 2016 | $ 439,746 | | $ 578,687 | | $ 247,028 | $ 3,598 | $ 58,386 | $ 1,327,445 |

(1) Amounts shown reflect the named executive officer s annual base salary earned during the fiscal year taking into account increases, if any, in base salary during the course of the year and are not reduced to reflect the named executive officer s election, if any, to defer receipt of salary into our savings plan for salaried U.S. employees, or in the case of Ms. Mowbray, our savings plan for eligible, full-time Canadian employees. Such increases in annual base salary, if any, for named executive officers in each fiscal year were determined following the beginning of that year. In fiscal 2018, there were increases in annual base salaries for the named executive officers except for Ms. Grossman. For additional details on actions taken with respect to the base salaries of the applicable named executive officers in fiscal 2018, see *Compensation Discussion and Analysis 2018 Executive Compensation Determinations Base Salary* .

(2) Stock awards consist of awards of RSUs and PSUs granted in fiscal 2018. The award of an RSU is the right to receive one share of our Common Stock upon the vesting date of the RSU. The PSU award is the right to receive a number of shares of Common Stock upon the satisfaction of certain time- and performance-vesting criteria. The time-vesting criteria will be satisfied on May 15, 2021. The performance-vesting criteria will be satisfied if the Company has achieved an Adjusted Operating Income (as defined in the Company s applicable term sheet for PSU awards) objective for fiscal 2020. For additional details on the number of PSUs that become vested upon satisfaction of both the above vesting criteria and other material terms, see *Compensation Discussion and Analysis 2018 Executive Compensation Determinations Long-Term Equity Incentive Compensation Annual Awards* . Amounts shown represent the aggregate grant date fair value of the applicable RSUs and PSUs granted during fiscal 2018, each as calculated in accordance with applicable accounting standards. The grant date fair value for RSUs is based solely on the closing price of our Common Stock on the date of the grant or, if the market was closed on the date of the grant, the last trading day that immediately preceded the date of the grant. The grant date fair value of PSUs is based on the probable outcome of the performance conditions and assumes the target level of performance for each applicable fiscal year. The grant date fair value of the PSUs at the maximum performance level for Ms. Grossman would be $3,686,356, for Mr. Hotchkin would be $1,885,032, for Ms. Mowbray would be $443,075, for Ms. Pollier would be $429,444 and for Mr. Colosi would be $434,736. The assumptions made in determining PSU values are disclosed in Note 11 of the Consolidated Financial Statements in our Annual Report on Form 10-K for fiscal 2018.

(3)

Amounts shown consist solely of the named executive officer s annual, performance-based cash bonus. For additional details on the amounts shown for fiscal 2018, see *Compensation Discussion and Analysis 2018 Executive Compensation Determinations Cash Bonuses and Payments Annual, Performance-Based Cash Bonus* above.

(4) Amounts shown consist solely of the aggregate earnings on the executive profit sharing plan account balance for the named executive officer, which include above-market earnings. For information on the applicable interest rate, see *Compensation Discussion and Analysis Determination of Executive Compensation Retirement and Deferred Compensation Plans, Termination Payments and Other*

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*Arrangements Executive Profit Sharing Plan* above. Mses. Mowbray and Pollier, as non-U.S. named executive officers, were not eligible to participate in the executive profit sharing plan.

(5) Amount shown includes $169,424 in contributions by the Company to the executive profit sharing plan, $33,207 in payments for temporary housing costs, $54,818 in tax gross-up payments with respect to payments for temporary housing costs and reimbursements of moving expenses, as well as amounts with respect to the reimbursement of moving expenses, life insurance premiums, a car allowance, and the payment of membership fees and mobile device charges for Ms. Grossman s benefit.

(6) Amount shown includes $86,946 in contributions by the Company to the executive profit sharing plan as well as amounts with respect to a car allowance, a wellness allowance, the payment of mobile device charges and contributions by the Company to its savings plan for salaried U.S. employees for Mr. Hotchkin s benefit.

(7) Ms. Mowbray served as our President, North America (previously Americas) from March 2016 until March 8, 2019, and left the Company on March 22, 2019. The amounts reported in the *Salary* column reflect (i) in the case of fiscal 2018 and fiscal 2017, a portion of salary paid to Ms. Mowbray in U.S. dollars with the remainder paid in Canadian dollars, and (ii) in the case of fiscal 2016, salary paid to Ms. Mowbray in Canadian dollars. The fiscal 2018 amounts reported in the *Non-Equity Incentive Plan Compensation* and *All Other Compensation* columns (excluding amounts related to travel expenses which were paid in U.S. dollars and professional tax services which were paid in pounds sterling and U.S. dollars) were paid to Ms. Mowbray in Canadian dollars. Amounts paid in Canadian dollars were converted into U.S. dollars using the average monthly exchange rate applicable to the month during which salary or other compensation was earned, such rates ranging from $0.7438 to $0.8047, except for the amounts with respect to (a) (i) the payment of a wellness allowance, which was converted to U.S. dollars using the exchange rate on January 31, 2018 (i.e., $0.8121), (ii) the reimbursement of supplemental life insurance premiums, which was converted to U.S. dollars using the exchange rate on August 21, 2018 (i.e., $0.7669) and (iii) certain payments for professional tax services, which were converted from pounds sterling to U.S. dollars using the applicable exchange rate on August 2, 2018 (i.e., $1.3014) and March 29, 2019 (i.e., $1.3035), in each case the date upon which any such amounts were paid or reimbursed, and (b) the *Non-Equity Incentive Plan Compensation* column, which amount was converted to U.S. dollars using the exchange rate on March 6, 2019 (i.e., $0.7439), the date on which Ms. Mowbray s annual, performance-based cash bonus was approved.

(8) Amount shown includes $20,262 in contributions by the Company to its savings plan for eligible, full-time Canadian employees as well as amounts with respect to the payment of supplemental life insurance premiums, a car allowance, a wellness allowance, the payment of travel expenses and mobile device charges and the payment for professional tax services for Ms. Mowbray s benefit.

(9) Ms. Pollier has served as our President, International since March 2016. Ms. Pollier s amounts reported in the *Salary* , *Non-Equity Incentive Plan Compensation* and *All Other Compensation* columns were paid to her in euros. The fiscal 2018 amounts shown were converted into U.S. dollars using the average monthly exchange rate applicable to the month during which salary or other compensation was earned, such rates ranging from $1.1360 to $1.2341, except for the amounts with respect to (a)(i) payments for car insurance, which were converted to U.S. dollars using the applicable exchange rate on January 5, 2018 (i.e., $1.2032) and August 5, 2018 (i.e., $1.1568), (ii) a payment for taxes related to her car lease, which was converted to U.S. dollars using the exchange rate on January 29, 2019 (i.e., $1.1434), (iii) payments for private unemployment insurance, which were converted to U.S. dollars using the applicable exchange rate on August 28, 2017 (i.e., $1.1980), February 21, 2018 (i.e., $1.2286) and September 5, 2018 (i.e., $1.1630), (iv) payments for group life insurance, which were converted to U.S. dollars using the applicable exchange rate on April 25, 2018 (i.e., $1.2161), July 25, 2018 (i.e., $1.1729), October 25, 2018 (i.e., $1.1377) and January 25, 2019 (i.e., $1.1413), and (v) the payment of a wellness allowance, which was converted to U.S. dollars using the exchange rate on December 25, 2018 (i.e., $1.1395), in each case the date upon which any such amounts were paid and (b) the *Non-Equity Incentive Plan Compensation* column, which amount was converted to U.S. dollars using the exchange rate on March 6, 2019 (i.e., $1.1309), the date on which Ms. Pollier s annual, performance-based cash bonus was approved.

(10) Amount shown includes $32,165 in payments of private unemployment insurance premiums as well as amounts with respect to the payment of life insurance premiums, a wellness allowance, a car allowance (including lease, related taxes, insurance premiums and gas payments) and the payment of mobile device charges for Ms. Pollier s benefit.

(11) Amount shown includes $49,958 in contributions by the Company to the executive profit sharing plan as well as amounts with respect to a car allowance, the payment of mobile device charges and contributions by the Company to its savings plan for salaried U.S. employees for Mr. Colosi s benefit.

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### GRANTS OF PLAN-BASED AWARDS FOR FISCAL 2018

The following table sets forth information regarding non-equity incentive plan awards, equity incentive plan stock awards and RSU awards made to a named executive officer during fiscal 2018 under the Company s Second Amended and Restated 2014 Stock Incentive Plan. In fiscal 2018, there were no stock option awards granted to a named executive officer.

| | | | Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1) | | | Estimated Future Payouts Under Equity Incentive Plan Awards | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Name** | **Grant Date** | **Compen-sation Committee Approval Date** | **Threshold ($)** | **Target ($)** | **Maximum ($)** | **Threshold (#)** | **Target (#)** | **Maximum (#)** | **All Other Stock Awards: Number of Shares of Stock or Units (#)(2)** | **Closing Market Price on Grant Date ($)** | **Grant Date Fair Value of Stock Awards(3)** |
| Mindy Grossman | 11/15/2018 | 5/8/2018 | | | | | | | 29,738(4) | $ 50.24 | $ 1,494,037 |
| | 5/15/2018 | 5/8/2018 | | | | | | | 23,023(4) | $ 80.18 | $ 1,845,984 |
| | 5/15/2018 | 5/8/2018 | | | | 7,655(5) | 22,988(5) | 45,976(5) | | $ 80.18 | $ 1,843,178 |
| | | | $ 299,700(6) | $ 1,800,000 | $ 3,600,000 | | | | | | |
| Nicholas P. Hotchkin | 11/15/2018 | 5/8/2018 | | | | | | | 6,079(4) | $ 50.24 | $ 305,409 |
| | 5/15/2018 | 5/8/2018 | | | | | | | 4,706(4) | $ 80.18 | $ 377,327 |
| | 5/15/2018 | 5/8/2018 | | | | 1,564(5) | 4,699(5) | 9,398(5) | | $ 80.18 | $ 376,766 |
| | 5/15/2018 | 3/5/2018 | | | | 2,349(7) | 7,056(7) | 14,112(7) | | $ 80.18 | $ 565,750 |
| | | | $ 85,358(6) | $ 512,659 | $ 1,025,319 | | | | | | |
| Stacey Mowbray | 11/15/2018 | 5/8/2018 | | | | | | | 3,574(4) | $ 50.24 | $ 179,558 |
| | 5/15/2018 | 5/8/2018 | | | | | | | 2,767(4) | $ 80.18 | $ 221,858 |
| | 5/15/2018 | 5/8/2018 | | | | 920(5) | 2,763(5) | 5,526(5) | | $ 80.18 | $ 221,537 |
| | | | $ 17,044(8)(9) | $ 272,703(9) | $ 545,406(9) | | | | | | |
| Corinne Pollier(-Bousquet) | 11/15/2018 | 5/8/2018 | | | | | | | 3,464(4) | $ 50.24 | $ 174,031 |
| | 5/15/2018 | 5/8/2018 | | | | | | | 2,682(4) | $ 80.18 | $ 215,043 |
| | 5/15/2018 | 5/8/2018 | | | | 891(5) | 2,678(5) | 5,356(5) | | $ 80.18 | $ 214,722 |
| | | | $ 16,469(8)(10) | $ 263,548(10) | $ 527,097(10) | | | | | | |
| Michael F. Colosi | 11/15/2018 | 5/8/2018 | | | | | | | 3,507(4) | $ 50.24 | $ 176,192 |
| | 5/15/2018 | 5/8/2018 | | | | | | | 2,715(4) | $ 80.18 | $ 217,689 |
| | 5/15/2018 | 5/8/2018 | | | | 902(5) | 2,711(5) | 5,422(5) | | $ 80.18 | $ 217,368 |
| | | | $ 17,358(8) | $ 277,736 | $ 555,471 | | | | | | |

(1) See *Compensation Discussion and Analysis Determination of Executive Compensation Cash Bonuses Annual, Performance-Based Cash Bonus* above for a description of our annual, performance-based cash bonus.

(2) Stock awards consist solely of awards of RSUs that were granted to the named executive officers. The award of an RSU is the right to receive one share of our Common Stock upon the vesting date of the RSU.

(3) Amounts shown represent the grant date fair value of the applicable RSUs and PSUs granted during fiscal 2018, each as calculated in accordance with applicable accounting standards. The grant date fair value for the RSUs is based solely on the closing price of our Common Stock on the date of the grant or, if the market was closed on the date of the grant, the last trading day that immediately preceded the date of the grant. The grant date fair value of PSUs reported in the table above is based on the probable outcome of the performance conditions. The assumptions made in determining PSU values are disclosed in Note 11 of the Consolidated Financial Statements in our Annual Report on Form 10-K for fiscal 2018. The material terms of the PSUs are discussed in *Compensation Discussion and Analysis 2018 Executive Compensation Determinations Long-Term Equity Incentive Compensation Annual Awards* above.

(4) The named executive officer received an annual award, a portion of which consisted of an award of RSUs granted in two equal installments. The first installment was granted on May 15, 2018 and the second installment was granted on November 15, 2018. The RSUs vest one-third per year over three years

on each anniversary of the applicable grant date.

(5) The named executive officer received an annual award, a portion of which consisted of an award of PSUs granted in one installment and which have both time- and performance-vesting criteria. The time-vesting criteria will be satisfied on May 15, 2021. The performance-vesting criteria will be satisfied if the Company has achieved an Adjusted Operating Income (as defined in the Company s applicable term sheet for PSU awards) objective for fiscal 2020. For additional details on the number of PSUs that become vested upon satisfaction of both the above vesting criteria and other material terms, see *Compensation Discussion and Analysis 2018 Executive Compensation Determinations Long-Term Equity Incentive Compensation Annual Awards* .

(6) Because the named executive officer s annual, performance-based cash bonus for fiscal 2018 was based solely on the Company s overall financial performance, the amount shown in the *Threshold* column represents an assumption that the Company achieves at least $100.0 million of operating income in fiscal 2018 and a percentage of its global Q1 Revenue Goal that is 96% but did not achieve its global OI Goal. For additional details on our annual, performance-based cash bonus for fiscal 2018, see *Compensation Discussion and Analysis Determination of Executive Compensation Cash Bonuses Annual, Performance-Based Cash Bonus* above.

(7) Additionally, in connection with his assumption of the role of President, Emerging Markets, the Compensation Committee determined to grant Mr. Hotchkin a one-time supplement to his annual award. The supplemental PSUs were granted in one installment and have the same time- and performance-vesting criteria as the PSUs granted as part of the annual award. For additional details on the terms and

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conditions of the PSUs and the number of PSUs that become vested upon satisfaction of both the above vesting criteria and other material terms, see Note 5 above to this table and *Compensation Discussion and Analysis 2018 Executive Compensation Determinations Long-Term Equity Incentive Compensation Annual Awards* .

(8) Because the named executive officer s annual, performance-based cash bonus for fiscal 2018 was comprised of a combination of (i) the financial performance percentage payouts that correlated to the financial performance goal ratings applicable to the executive and (ii) the individual performance percentage payout that correlated to the executive s individual performance rating, the amount shown in the *Threshold* column represents an assumption that the Company achieves at least $100.0 million of operating income in fiscal 2018 and fails to achieve any of its financial performance goals for fiscal 2018, and the named executive officer achieves an individual performance rating resulting in an individual performance percentage payout of 25%. For additional details on our annual, performance-based cash bonus for fiscal 2018, see *Compensation Discussion and Analysis Determination of Executive Compensation Cash Bonuses Annual, Performance-Based Cash Bonus* above.

(9) Amounts shown are assumed paid in Canadian dollars and were converted to U.S. dollars using the applicable exchange rate on March 6, 2019 (i.e., $0.7439), the date on which Ms. Mowbray s annual, performance-based cash bonus was approved.

(10) Amounts shown are assumed paid in euros and were converted to U.S. dollars using the applicable exchange rate on March 6, 2019 (i.e., $1.1309), the date on which Ms. Pollier s annual, performance-based cash bonus was approved.

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### OUTSTANDING EQUITY AWARDS AT FISCAL 2018 YEAR-END

The following table sets forth information regarding unexercised non-qualified stock options and any RSUs and PSUs that were not vested for each named executive officer as of the end of fiscal 2018. There were no unexercised unearned equity incentive plan stock option awards held by the named executive officers at such time.

| | | Option Awards | | | | Stock Awards | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name | Grant Date | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price ($) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested(#) | Market Value of Shares or Units of Stock That Have Not Vested($)[1] | Equity Incentive Plan Awards: Number of Unearned Shares or Units or Other Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[1] |
| Mindy Grossman | 11/15/2018 | | | | | 29,738[2]* | $ 1,227,882 | | |
| | 5/15/2018 | | | | | 23,023[2]* | $ 950,620 | | |
| | 5/15/2018 | | | | | | | 7,655[3]* | $ 316,075[3] |
| | 11/15/2017 | | | | | 23,794[2] | $ 982,454 | | |
| | 7/5/2017 | | | | | 31,952[4] | $ 1,319,298 | | |
| | 7/5/2017 | | | | | 150,000[5] | $ 6,193,500 | | |
| | 7/5/2017 | | | | | 53,174[6] | $ 2,195,554[6] | 5,316[6] | $ 219,498[6] |
| | 7/5/2017 | 75,000[5] | 225,000[5] | $ 32.67 | 7/5/2024 | | | | |
| | 7/5/2017 | 125,000[5] | 375,000[5] | $ 40.00 | 7/5/2024 | | | | |
| | 7/5/2017 | 125,000[5] | 375,000[5] | $ 60.00 | 7/5/2024 | | | | |
| Nicholas P. Hotchkin | 11/15/2018 | | | | | 6,079[2]* | $ 251,002 | | |
| | 5/15/2018 | | | | | 4,706[2]* | $ 194,311 | | |
| | 5/15/2018 | | | | | | | 3,913[3]* | $ 161,568[3] |
| | 11/15/2017 | | | | | 4,710[2] | $ 194,476 | | |
| | 5/15/2017 | | | | | 9,162[2] | $ 378,299 | | |
| | 5/15/2017 | | | | | 15,246[6] | $ 629,507 | 1,524[6] | $ 62,926[6] |
| | 11/15/2016 | | | | | 10,207[2] | $ 421,447 | | |
| | 5/16/2016 | | | | | 9,461[2] | $ 390,645 | | |
| | 5/16/2016 | | | | | 31,538[7] | $ 1,302,204[7] | | |
| Stacey Mowbray | 11/15/2018 | | | | | 3,574[2]* | $ 147,570[2] | | |
| | 5/15/2018 | | | | | 2,767[2]* | $ 114,249 | | |
| | 5/15/2018 | | | | | | | 920[3]* | $ 37,987[3] |
| | 11/15/2017 | | | | | 2,705[2] | $ 111,689 | | |
| | 5/15/2017 | | | | | 5,262[2] | $ 217,268 | | |
| | 5/15/2017 | | | | | 8,756[6] | $ 361,535 | 875[6] | $ 36,129[6] |
| | 11/15/2016 | | | | | 5,008[2] | $ 206,780 | | |
| | 5/16/2016 | | | | | 4,643[2] | $ 191,709 | | |
| | 5/16/2016 | | | | | 15,475[7] | $ 638,963[7] | | |
| | 6/22/2015 | 2,830[8][9] | | $ 5.25 | 6/22/2025 | | | | |
| | 6/22/2015 | 8,000[2] | | $ 5.25 | 6/22/2025 | | | | |
| Corinne Pollier(-Bousquet) | 11/15/2018 | | | | | 3,464[2]* | $ 143,029 | | |
| | 5/15/2018 | | | | | 2,682[2]* | $ 110,740 | | |
| | 5/15/2018 | | | | | | | 891[3]* | $ 36,789[3] |
| | 11/15/2017 | | | | | 2,484[2] | $ 102,564 | | |
| | 5/15/2017 | | | | | 4,832[2] | $ 199,513 | | |
| | 5/15/2017 | | | | | 8,040[6] | $ 331,972 | 804[6] | $ 33,197[6] |

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|---|---|---|---|---|---|---|---|---|
| | 11/15/2016 | | | | 5,632[2] | $ 232,545 | | |
| | 5/16/2016 | | | | 5,221[2] | $ 215,575 | | |
| | 5/16/2016 | | | | 17,403[7] | $ 718,570[7] | | |
| | 6/22/2015 | 25,232[8][10] | $ 5.25 | 6/22/2025 | | | | |
| | 11/15/2012 | 5,043[11] | $ 56.36 | 11/15/2022 | | | | |
| | 5/15/2012 | 4,704[11] | $ 57.69 | 5/15/2022 | | | | |
| | 3/25/2011 | 5,025[11] | $ 63.59 | 3/25/2021 | | | | |
| | 3/26/2010 | 11,250[11] | $ 25.76 | 3/26/2020 | | | | |
| Michael F. Colosi | 11/15/2018 | | | | 3,507[2]* | $ 144,804 | | |
| | 5/15/2018 | | | | 2,715[2]* | $ 112,102 | | |
| | 5/15/2018 | | | | | | 902[3]* | $ 37,244[3] |
| | 11/15/2017 | | | | 2,744[2] | $ 113,300 | | |
| | 5/15/2017 | | | | 5,338[2] | $ 220,406 | | |
| | 5/15/2017 | | | | 8,882[6] | $ 366,738[6] | 888[6] | $ 36,666[6] |
| | 11/15/2016 | | | | | | | |