

Prestige Brands Holdings, Inc.
Form DEF 14A
July 02, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

Prestige Brands Holdings, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

PRESTIGE BRANDS HOLDINGS, INC.

660 White Plains Road
Tarrytown, New York 10591
Telephone: (800) 831-7105

Dear Stockholder: July 2, 2014

You are cordially invited to attend our 2014 Annual Meeting of Stockholders, which will be held on Tuesday, August 5, 2014, at 10:00 a.m. (Eastern Daylight Time), at the Company's offices, 660 White Plains Road, Tarrytown, New York 10591. This letter accompanies a copy of our Annual Report for the fiscal year ended March 31, 2014, Notice of Annual Meeting of Stockholders, Proxy Statement, and proxy card. These materials provide further information concerning the Annual Meeting.

At this year's Annual Meeting, the agenda includes the following four proposals:

- (i) the election of the five directors nominated by the Board of Directors and named in our Proxy Statement;
- (ii) the ratification of the appointment of our independent registered public accounting firm for fiscal 2015;
- (iii) the approval of our Amended and Restated 2005 Long-Term Incentive Plan; and
- (iv) a non-binding resolution to approve the compensation of our named executive officers as disclosed in our Proxy Statement.

The Company's Board of Directors recommends that you vote FOR the proposals set forth above.

Members of the Board of Directors, our executive officers and representatives from our independent registered public accounting firm will be present at the Annual Meeting to answer any appropriate questions you may have.

It is important that your shares be represented and voted at the Annual Meeting, regardless of the number of shares you own. Accordingly, even if you plan to attend the Annual Meeting, please complete, sign and date the enclosed

proxy card and return it promptly in the enclosed envelope, or vote by telephone or the Internet according to the instructions on your proxy card. If you do attend the Annual Meeting, you may withdraw your proxy should you wish to vote in person.

We look forward to seeing you at the Annual Meeting.

Sincerely,
/s/ Matthew M. Mannelly
Matthew M. Mannelly
President and Chief Executive Officer

Prestige Brands Holdings, Inc.

660 White Plains Road
Tarrytown, New York 10591
Telephone: (800) 831-7105

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

August 5, 2014
10:00 a.m. Eastern Daylight Time

The 2014 Annual Meeting of Stockholders of Prestige Brands Holdings, Inc. will be held on Tuesday, August 5, 2014, at 10:00 a.m. (Eastern Daylight Time), at the Company's offices, 660 White Plains Road, Tarrytown, New York 10591. The Annual Meeting is being held for the following purposes:

1. To elect the five directors nominated by the Board of Directors and named in the accompanying Proxy Statement to serve until the 2015 Annual Meeting of Stockholders or until their earlier death, removal or resignation;
2. To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of Prestige Brands Holdings, Inc. for the fiscal year ending March 31, 2015;
3. To approve our Amended and Restated 2005 Long-Term Incentive Plan;
4. To vote on a non-binding resolution to approve the compensation of our named executive officers as disclosed in our Proxy Statement; and
5. To conduct other business as may properly be brought before the Annual Meeting or any adjournment or postponement thereof, including proposals to adjourn or postpone the meeting.

Only stockholders of record at the close of business on June 12, 2014 will be entitled to vote at the Annual Meeting.

Accompanying this Notice of Annual Meeting of Stockholders is a Proxy Statement, related proxy card with a postage paid return envelope, and our Annual Report for our fiscal year ended March 31, 2014. The Annual Report contains financial and other information that is not incorporated into the Proxy Statement and is not deemed to be a part of the proxy soliciting material.

By Order of the Board of Directors
/s/ Samuel C. Cowley
Samuel C. Cowley
General Counsel, Vice President, Business Development and Secretary

July 2, 2014

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING IN PERSON, PLEASE PROMPTLY COMPLETE, SIGN, DATE AND MAIL THE ENCLOSED PROXY CARD OR VOTE BY TELEPHONE OR THE INTERNET. A SELF-ADDRESSED POSTAGE PAID RETURN ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. YOU MAY REVOKE YOUR PROXY BY FOLLOWING THE INSTRUCTIONS ON PAGE 4 OF THE PROXY STATEMENT. If you own shares in a brokerage account, your broker cannot vote your shares for proposals regarding the election of our directors, our amended and restated incentive plan or approval of the compensation of our named executive officers unless you provide voting instructions to your broker. Therefore, it is very important that you exercise your right as a stockholder and vote on all proposals.

ANNUAL MEETING OF STOCKHOLDERS

OF

PRESTIGE BRANDS HOLDINGS, INC.

PROXY STATEMENT

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ANNUAL MEETING OF STOCKHOLDERS

OF

PRESTIGE BRANDS HOLDINGS, INC.

660 White Plains Road

Tarrytown, New York 10591

Telephone: (800) 831-7105

PROXY STATEMENT

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON August 5, 2014: THIS PROXY STATEMENT, THE PROXY CARD AND THE 2014 ANNUAL REPORT TO STOCKHOLDERS ARE AVAILABLE AT THE INVESTORS TAB OF WWW.PRESTIGEBRANDS.COM, OUR INTERNET WEBSITE.

YOU CAN SUBMIT A REQUEST FOR A COPY OF THE PROXY STATEMENT, ANNUAL REPORT AND FORM OF PROXY FOR ANY FUTURE STOCKHOLDER MEETINGS (INCLUDING THE MEETING OF STOCKHOLDERS TO BE HELD ON AUGUST 5, 2014) TO 1-800-831-7105, PROXY@PRESTIGEBRANDS.COM OR THE CONTACT US TAB AT WWW.PRESTIGEBRANDS.COM. YOU CAN ALSO CONTACT US AT THE PHONE NUMBER, E-MAIL ADDRESS AND WEBSITE SET FORTH ABOVE TO REQUEST DIRECTIONS TO THE LOCATION OF THE ANNUAL MEETING OF STOCKHOLDERS SO THAT YOU MAY ATTEND THE MEETING AND VOTE IN PERSON.

GENERAL INFORMATION

What is this document?

This document is the Proxy Statement of Prestige Brands Holdings, Inc. for the 2014 Annual Meeting of Stockholders to be held at 10:00 a.m., Eastern Daylight Time, on Tuesday, August 5, 2014 at the Company's offices, 660 White Plains Road, Tarrytown, New York 10591. A proxy card is included. This Proxy Statement and the proxy card are first being mailed or given to stockholders on or about July 2, 2014.

We have tried to make this document simple and easy to understand. The Securities and Exchange Commission (“SEC”) encourages companies to use “plain English,” and we will always try to communicate with you clearly and effectively. We refer to Prestige Brands Holdings, Inc. throughout this document as “we” or “us” or the “Company.” In addition, throughout this document, “2015” refers to our fiscal year ending March 31, 2015, “2014” refers to our fiscal year ended March 31, 2014, “2013” refers to our fiscal year ended March 31, 2013 and “2012” refers to our fiscal year ended March 31, 2012.

Why am I receiving this document?

You are receiving this document because you were one of our stockholders at the close of business on June 12, 2014, the record date for our 2014 Annual Meeting. We are furnishing this Proxy Statement and the enclosed proxy card to you to solicit your proxy (*i.e.*, your permission) to vote your stock in connection with certain matters at the Annual Meeting.

If your shares are held by a bank or brokerage firm, you are considered the “beneficial owner” of shares held in “street name.” If your shares are held in “street name,” your bank or brokerage firm forwarded these proxy materials, along with a voting instruction card, to you.

What is a proxy?

It is your legal designation of another person, called a “proxy,” to vote the stock you own. The document that designates someone as your proxy is also called a proxy or a proxy card.

Giving us your proxy means that you authorize the proxy holders identified on the enclosed proxy card — Ronald M. Lombardi and Samuel C. Cowley — to vote your shares at the Annual Meeting in the manner you direct.

Who is soliciting my vote?

In this Proxy Statement, the Board of Directors (the “Board” or “your Board”) is soliciting your vote for matters being submitted for stockholder approval at the Annual Meeting.

Will anyone be compensated to solicit my vote?

The cost of proxy solicitation, including the cost of preparing, assembling, printing, mailing and distributing these proxy materials, will be paid by the Company. Our directors, officers and employees will not receive additional compensation for their proxy solicitation efforts, but they may be reimbursed for out-of-pocket expenses in connection with any solicitation. We also may reimburse custodians, nominees and fiduciaries for their expenses in sending proxies and proxy material to beneficial owners of our stock.

Who may attend the Annual Meeting?

Only stockholders, their proxy holders and our invited guests may attend the Annual Meeting. For security reasons, we may require photo identification for admission. If your shares are held in “street name” by a broker, bank or other nominee, please bring a copy of the account statement reflecting your ownership of our common stock as of June 12, 2014, so that we may verify your stockholder status.

What if I have a disability?

If you are disabled and would like to participate in the Annual Meeting, we can provide reasonable assistance. Please send any request for assistance to Prestige Brands Holdings, Inc., 660 White Plains Road, Tarrytown, New York 10591, Attention: Secretary, at least two weeks before the meeting.

What is Prestige Brands Holdings and where is it located?

Prestige Brands Holdings, Inc. is a holding company incorporated under the laws of the State of Delaware that, through its wholly-owned subsidiaries, markets and distributes well-recognized, brand name over-the-counter

healthcare and household cleaning products throughout the U.S. and Canada, and in certain international markets. Core brands include Chloraseptic®, Clear Eyes®, Compound W®, The Doctor's®, NightGuard®, Little Remedies®, PediaCare®, Efferdent®, Luden's®, Dramamine®, BC®, Goody's®, Beano®, and Debrox®, as well as Gaviscon® in Canada. Our principal executive offices are located at 660 White Plains Road, Tarrytown, New York 10591. Our telephone number is (800) 831-7105.

Where is our common stock traded?

Our common stock is traded and quoted on the New York Stock Exchange ("NYSE") under the symbol "PBH."

VOTING MATTERS

What am I voting on?

You are being asked to vote on the following:

the election of the five directors nominated by the Board of Directors and named as nominees in this Proxy Statement;

· the ratification of the appointment of our independent registered public accounting firm for 2015;

· the approval of our Amended and Restated 2005 Long-Term Incentive Plan; and

a non-binding resolution approving the compensation of our named executive officers as disclosed in this Proxy Statement.

What are the Board's recommendations on the proposals?

The Board unanimously recommends that you vote your shares as follows:

FOR the election of the following five individuals nominated by the Board for election as directors: Matthew M. Mannelly, Gary E. Costley, John E. Byom, Charles J. Hinkaty and Carl J. Johnson;

- **FOR** the ratification of the appointment of our independent registered public accounting firm for 2015;
- **FOR** the approval of our Amended and Restated 2005 Long-Term Incentive Plan; and
- **FOR** the approval of the compensation of our named executive officers as disclosed in this Proxy Statement.

Who is entitled to vote?

You may vote if you owned shares of our common stock at the close of business on June 12, 2014. Each share of common stock is entitled to one vote. As of June 12, 2014, there were 51,964,923 shares of our common stock outstanding. A list of our stockholders will be open to the examination of any stockholder, for any purpose relevant to the meeting, at our headquarters for a period of 10 days prior to the Annual Meeting and at the Annual Meeting.

May other matters be raised at the Annual Meeting?

We currently are not aware of any business to be acted upon at the Annual Meeting other than the matters described above. Under federal securities laws, Delaware law and our governing documents, no other business aside from procedural matters may be raised at the Annual Meeting unless proper notice has been given to the Company by the stockholders. If other business is properly raised and you have returned a signed proxy card with or without voting instructions or have voted by telephone or the Internet, your proxies have authority to vote as they think best on such business, including to adjourn the meeting.

How will the meeting be conducted?

The Chairman of the meeting has broad authority to conduct the Annual Meeting so that the business of the meeting is carried out in an orderly and timely manner. In doing so, he has broad discretion to establish reasonable rules for discussion, comments and questions during the meeting. The Chairman of the meeting is also entitled to rely upon applicable law regarding disruptions or disorderly conduct to ensure that the Annual Meeting proceeds in a manner that is fair to all participants.

How do I vote?

If you own shares registered directly with the Company's transfer agent, you may vote by telephone, by the Internet, or by signing and returning the enclosed proxy card. For more information about how to vote, please see the instructions on your proxy card.

If your shares are held in "street name," your bank or brokerage firm forwarded these proxy materials, as well as a voting instruction card, to you. Please follow the instructions on the voting instruction card to vote your shares.

In addition to voting by proxy, you may vote in person at the Annual Meeting. Beneficial owners who hold shares in "street name" and who wish to vote in person at the Annual Meeting must bring a power of attorney or legal proxy from their bank, broker or other nominee. However, in order to assist us in tabulating votes at the Annual Meeting, we encourage you to vote by proxy even if you plan to be present at the Annual Meeting. Even if you vote prior to the Annual Meeting, stockholders are entitled to attend the Annual Meeting. Please see "Who may attend the Annual Meeting?" above for instructions on attending the Annual Meeting.

What materials are available on the Internet?

This Proxy Statement, our Annual Report on Form 10-K, our 2014 Annual Report to Stockholders and other financial documents are available free of charge at the Investors tab on our corporate website at www.prestigebrands.com. The Proxy Statement and our Annual Report on Form 10-K also are available free of charge on the SEC's website at www.sec.gov.

How will my proxy be voted?

If you are a registered stockholder, the individuals named on the proxy card will vote your shares in the manner you indicate on your proxy card. You may vote for all, some or none of the director nominees. You may also abstain from voting. If your proxy card is signed and returned but does not contain specific voting instructions, your proxy will be voted "FOR" the election of the directors named as nominees in this Proxy Statement, "FOR" the ratification of the appointment of our independent registered public accounting firm for 2015, "FOR" approval of our amended and restated long-term incentive plan, and "FOR" the approval of the compensation of our named executive officers as disclosed in this Proxy Statement. If any other matters are properly presented at the Annual Meeting for consideration, the persons named as proxies on the enclosed proxy card will vote as recommended by your Board or, if no recommendation is given, in their own discretion.

If your shares are held in "street name," you have the right to direct your bank or brokerage firm how to vote your shares, and the record holder is required to vote your shares in accordance with your instructions. If you do not give instructions to your bank or brokerage firm, it will nevertheless be entitled to vote your shares with respect to "routine" items, but it will not be permitted to vote your shares with respect to "non-routine" items. In the case of a non-routine item, your shares will be considered "broker non-votes" on that proposal.

Can I change my vote or revoke my proxy after I vote?

Yes. If you are a registered stockholder, to change your vote or revoke your proxy you must:

- cast a new vote by telephone or the Internet prior to 11:59 p.m., Eastern Daylight Time, on August 4, 2014 or sign another proxy card with a later date and return it before the Annual Meeting;
- provide our Secretary at or before the Annual Meeting with a written notice of revocation dated later than the date of the latest proxy you submitted; or
-

attend the Annual Meeting and vote in person. Note that attendance at the Annual Meeting will not revoke a proxy if you do not actually vote at the Annual Meeting. “Street name” stockholders should refer to the instructions above under “How do I vote?” to vote at the Annual Meeting.

If you hold your shares in “street name,” the above options for changing your vote or revoking your instructions (other than attending the Annual Meeting and voting in person) do not apply, and you must follow the instructions received from your bank or broker to change your vote or revoke your proxy.

What if I receive more than one copy of these proxy materials?

The receipt of multiple copies of these proxy materials means that you have more than one account with brokers or our transfer agent. Please vote all of your shares. We also recommend that you contact your broker and/or our transfer agent to consolidate as many accounts as possible under the same name and address. Our transfer agent is Computershare, Ltd., 250 Royall Street, Canton, MA 02021, and they may be reached at (781) 575-3400. In addition, any stockholders who share an address and are receiving multiple copies of our proxy material can request delivery of a single copy of our proxy materials by sending a written request addressed to Prestige Brands Holdings, Inc., 660 White Plains Road, Tarrytown, New York 10591, Attention: Secretary.

How many shares must be present to hold the Annual Meeting?

A quorum must be present at the Annual Meeting for any business to be conducted. A quorum exists when the holders of a majority of the 51,964,923 shares of our common stock outstanding on June 12, 2014 and entitled to vote at the Annual Meeting are present in person or by proxy at the meeting. The shares represented by withhold votes, abstentions and “broker non-votes” regarding proposals in the Proxy Statement will be considered present for quorum purposes.

How many votes are required to approve each proposal in the Proxy Statement?

Election of Directors

The affirmative vote of a plurality of the votes cast in person or by proxy is necessary for the election of directors. This means that the five director nominees receiving the greatest number of “For” votes will be elected. You may vote in favor of all nominees, withhold your vote as to all nominees or withhold your vote as to specific nominees. If you withhold your vote as to all or specific nominees, your shares will not be voted with respect to the nominee or nominees indicated.

Ratification of Appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm

The ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm requires the affirmative vote of a majority of the shares present in person or by proxy and entitled to vote on the proposal. Abstentions will be counted against this matter.

Approval of our Amended and Restated Long-Term Incentive Plan

The approval of our amended and restated long-term incentive plan requires the affirmative vote of a majority of the shares present in person or by proxy and entitled to vote on the proposal. Abstentions will be counted against this matter.

Approval of Compensation of our Named Executive Officers

The approval of the non-binding resolution to approve the compensation of our named executive officers requires the affirmative vote of a majority of the shares present in person or by proxy and entitled to vote on the proposal. Abstentions will be counted against this matter. If the proposal is not approved by the required majority vote, the Board of Directors and the Compensation Committee will take into account the result of the vote when determining future executive compensation arrangements, particularly if the votes cast against the resolution exceed the number of votes cast in favor of the resolution.

What is the effect of not voting?

If you are a stockholder of record and submit a signed proxy without specifying a choice on any given matter to be considered at the Annual Meeting, the proxy holders will vote your shares according to the Board's recommendation on each matter. If you are a stockholder of record and you do not sign and return a proxy card or vote by telephone or Internet, your shares will not count toward the quorum requirement or towards any proposal at the Annual Meeting.

If you hold shares in “street name”, then, under NYSE rules and Delaware law:

Election of Directors

With respect to the election of directors, your broker is not entitled to vote your shares on this matter if your broker does not receive instructions from you. A broker non-vote is not considered a vote cast and, therefore, it will have no effect on the election of directors.

Ratification of Appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm

With respect to ratification of the appointment of our independent registered accounting firm, your broker is entitled to vote your shares on this matter if no instructions are received from you, so there will be no broker non-votes on this proposal.

Approval of our Amended and Restated Long-Term Incentive Plan

With respect to the approval of our amended and restated long-term incentive plan, your broker is not entitled to vote your shares on this matter if your broker does not receive instructions from you. Broker non-votes will be counted neither for nor against this matter.

Approval of Compensation of our Named Executive Officers

With respect to the advisory vote on the compensation of our named executive officers, your broker is not entitled to vote your shares on this matter if your broker does not receive instructions from you. Broker non-votes will be counted neither for nor against this matter.

How many votes do I have and can I cumulate my votes?

You have one vote for every share of our common stock that you own. Cumulative voting is not allowed.

In order to support your Board, please sign, date and mail the enclosed proxy card to vote FOR the election of the five director nominees nominated by your Board, FOR the ratification of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm, FOR the approval of our amended and restated long-term incentive plan, and FOR the approval of the compensation of our named executive officers. You may also vote over the Internet using the Internet address on the proxy card or by telephone using the toll-free number on the proxy card. If your shares are held in "street name", you should follow the instructions on your voting instruction card to provide specific instructions to your bank or broker to vote as described above.

PROPOSAL NO. 1 – ELECTION OF DIRECTORS

What is the structure of the Board of Directors?

The number of directors on the Board of Directors is fixed from time to time by resolution adopted by the affirmative vote of a majority of the total number of directors then in office. Currently, the Board of Directors is comprised of five directors. All current members of the Board of Directors are standing for re-election to hold office until the next Annual Meeting of Stockholders.

How are nominees evaluated; what are the minimum qualifications?

We believe that our directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the interests of the stockholders. They must also have an inquisitive and objective perspective, practical wisdom, mature judgment and demonstrated leadership skills. We also endeavor to have a Board of Directors representing a range of experiences in areas that are relevant to the Company's business activities.

Below we identify and describe the key experience, qualifications and skills our directors bring to the Board that are important in light of the Company's business and structure. The directors' experiences, qualifications and skills that the Nominating and Corporate Governance Committee considered in their nominations are included in their individual biographies.

Leadership Experience. We believe that directors with experience in significant leadership positions over an extended period, especially chief executive officer positions, provide the Company with valuable insights and strategic thinking. These people generally possess extraordinary leadership qualities and the ability to identify and develop those qualities in others. They demonstrate a practical understanding of organizations, processes, strategy, risk management and the methods to drive change and growth.

Finance Experience. We believe that an understanding of finance and the financial reporting process is important for our directors. We measure our operating and strategic performance by reference to financial targets. In addition, accurate financial reporting and robust auditing are critical to our success and developing stockholders' confidence in our reporting processes under the Sarbanes-Oxley Act of 2002. We expect all of our directors to be financially literate.

Consumer Products Experience. We seek to have directors with experience as executives managing consumer product businesses.

Marketing Experience. The Company seeks to grow organically by identifying and developing opportunities for expanding distribution of its existing product offerings while also developing and launching new products to sell into the market. Therefore, marketing expertise is important to us.

Who are the nominees this year?

We have five nominees for the Board of Directors, all of whom serve on our current Board of Directors. If elected, each nominee would hold office until the 2015 Annual Meeting of Stockholders and until his respective successor is elected and qualified or until his earlier death, removal or resignation. These nominees, their ages at the date of this Proxy Statement and the year in which they first became directors are set forth in the table below. The Board of Directors has affirmatively determined that each of the nominees, other than Mr. Mannelly, is independent from the Company and its management under the NYSE's independence standards.

| Name | Age | Director Since |
|---------------------|-----|----------------|
| Matthew M. Mannelly | 56 | September 2009 |
| Gary E. Costley | 70 | November 2004 |
| John E. Byom | 60 | January 2006 |
| Charles J. Hinkaty | 64 | May 2010 |
| Carl J. Johnson | 65 | August 2013 |

If a nominee is unable to stand for election, the Board may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders will vote your shares for the substitute nominee, unless you have voted “Withhold” with respect to the original nominee.

What are the backgrounds and qualifications of the Company’s nominees?

Matthew M. Mannelly, Director, President and Chief Executive Officer, has served as President and Chief Executive Officer and as a director of the Company since September 2009. Prior to joining the Company, he served as the President and Chief Executive Officer of Cannondale Bicycle Corporation from 2005 to 2008 and as President from 2003 to 2004. From 2002 to 2003, Mr. Mannelly served as President of the Americas for Paxar Corporation. From 2000 to 2002, he served as Chief Marketing Officer for the United States Olympic Committee. From 1993 to 2000, Mr. Mannelly held positions with increasing responsibility at Nike, Inc., where he was Global Director of Retail Development from 1996 to 2000, Category Business Director for the Tennis Division from 1994 to 1996, and General Manager of Sport Specialties from 1993 to 1994. Mr. Mannelly received a B.S. in Economics from Boston College and an M.B.A. in Marketing from the University of North Carolina at Chapel Hill. Mr. Mannelly is currently a director of Bauer Performance Sports Ltd.

Director Qualifications:

Leadership Experience – Served as President and Chief Executive Officer of Cannondale Bicycle Corporation; served as President of the Americas for Paxar Corporation; held various leadership positions at Nike, Inc.

Financial Experience – Served as President and Chief Executive Officer of Cannondale Bicycle Corporation; served as President of the Americas for Paxar Corporation, where he was responsible for profit and loss management

Marketing Experience – Served as Chief Marketing Officer for United States Olympic Committee; Director of Marketing for Gatorade®; received an M.B.A. in Marketing; recipient of 2008 Academy of Marketing Science Distinguished Marketer of the Year

Consumer Products Experience – Has extensive experience in packaged goods, sports, fitness, and apparel for world class consumer brand names including Cannondale, Nike®, Quaker Oats® and Gatorade®

Gary E. Costley, Ph.D., Lead Director, has served as a director since November 2004 and lead director since September 2009. Dr. Costley serves as managing partner at C&G Capital and Management, a private investment company, which he joined in July 2004. He previously served from 2001 to June 2004 as Chairman and Chief Executive Officer of International Multifoods Corporation and from 1997 to 2001 as its Chairman, President and Chief Executive Officer. From 1995 to 1996, Dr. Costley served as Dean of the Graduate School of Marketing at Wake Forest University. Prior to that time, Dr. Costley spent 24 years with the Kellogg Company, where he held various positions of increasing responsibility, including his most recent role as President of Kellogg North America. Dr. Costley earned a B.S. in Animal Science and both an M.S. and Ph.D. in Nutrition from Oregon State University. Dr. Costley is currently a director of Principal Financial Group Inc., Tiffany & Co. and Covance Inc. Dr. Costley has also served on the boards of Pharmacoepia Inc. and Accelrys, Inc.

Director Qualifications:

Leadership Experience - Managing partner of C&G Capital and Management; served as Chief Executive Officer of International Multifoods Corporation; former President of Kellogg North America

Financial Experience - Managing partner of C&G Capital and Management; served as Chief Executive Officer of International Multifoods Corporation; former President of Kellogg North America

· Marketing Experience – Served as Dean of the Graduate School of Marketing at Wake Forest University

Consumer Products Experience – Served as Chief Executive Officer of International Multifoods Corporation; former President of Kellogg North America

John E. Byom, *Director*, has served as director since January 2006. Mr. Byom is currently Chief Executive Officer of Classic Provisions Inc., a specialty foods distribution company, which he joined in October 2007. Mr. Byom was previously the Chief Financial Officer of International Multifoods Corporation. He left International Multifoods Corporation in March 2005 after 26 years, including four years as Vice President Finance and Chief Financial Officer from March 2000 to June 2004. Subsequent to the sale of International Multifoods Corporation to The J.M. Smucker Company in June 2004, Mr. Byom was President of Multifoods Foodservice and Bakery Products. Prior to his time as Chief Financial Officer, Mr. Byom was President of U.S. Manufacturing from July 1999 to March 2000, and Vice President Finance and IT for the North American Foods Division from 1993 to 1999. Prior to 1993, he held various positions in finance and was an internal auditor for International Multifoods Corporation from 1979 to 1981. Mr. Byom earned his B.A. in Accounting from Luther College. Mr. Byom was a director of MGP Ingredients Inc. from 2004 until December 2013.

Director Qualifications:

Leadership Experience – Chief Executive Officer of Classic Provisions Inc.; served as President of Multifoods Foodservice and Bakery Products and U.S. Manufacturing for International Multifoods Corporation

Financial Experience – Served as Chief Financial Officer of International Multifoods Corporation; held several leadership positions in finance; served as internal auditor for International Multifoods Corporation

Consumer Products Experience – Chief Executive Officer of Classic Provisions Inc.; served as Chief Financial Officer of International Multifoods Corporation; served as President of Multifoods Foodservice and Bakery Products and U.S. Manufacturing for International Multifoods Corporation

Charles J. Hinkaty, *Director*, has served as a director since May 2010. Mr. Hinkaty was the President and Chief Executive Officer of Del Laboratories, Inc. from August 2005 through his retirement in January 2008. Prior to that,

Mr. Hinkaty was the Chief Operating Officer of Del Laboratories, Inc. from January 2005 to August 2005, and Vice President of Del Laboratories, Inc. and President of its subsidiary, Del Pharmaceuticals, Inc., from 1985 to January 2005. Prior to joining Del, Mr. Hinkaty held positions of increasing responsibility at Bristol Myers Squibb, Inc. and Procter & Gamble, Inc. Mr. Hinkaty earned a B.S. and M.S. in Mathematics from Polytechnic Institute of New York University and presently serves as Trustee of New York University. Mr. Hinkaty is currently a director of Cache Incorporated, Renfro, Inc. and W.F. Young, Inc. Mr. Hinkaty served as a director of Del Laboratories, Inc. from 1986 to 2008 and also previously served as a director of FGX International, Inc., Sterling Infosystems, Inc., Lornamead Ltd., and Physicians Formula Holdings, Inc. He also led the Consumer Healthcare Products Association as its Chairman from 1999 to 2001.

Director Qualifications:

Leadership Experience/Financial Experience/Consumer Products Experience – Served as President, Chief Executive Officer and Chief Operating Officer of Del Laboratories, Inc.

Marketing Experience – Served as President, Chief Executive Officer and Chief Operating Officer of Del Laboratories, Inc.; twelve years of marketing experience at Bristol Myers Squibb Company in which he served in positions of increasing responsibility, including Director of Marketing and Director of Strategic Planning and Business Development.

Carl J. Johnson, Director, has served as director since August 2013. Mr. Johnson served as President and Chief Executive Officer and as a member of the Board of Directors of Matrixx Initiatives, Inc., a marketer of over-the-counter (“OTC”) healthcare products, from July 2001 until his retirement in October 2008, and again as a member of the Board of Directors of Matrixx Initiatives from February 2011 to February 2014. Previously, from 1993 to 2001, Mr. Johnson was Vice President, Commercial Development with Perrigo Company, a leading manufacturer of OTC pharmaceutical and nutritional products for the store brand market. In that capacity, he was responsible for the procurement of new products and technologies and contract manufacturing services with emphasis on Abbreviated New Drug Applications (ANDA) products. Mr. Johnson worked at Johnson & Johnson from 1973 to 1989, where he held a number of high-level marketing and sales positions, including responsibility for the national launch of the Acuvue® disposable contact lens product. Mr. Johnson provided marketing leadership for a special team tasked to re-engineer Johnson & Johnson’s Consumer Sector sales, administrative and operational functions. He also held the position of Director of Marketing for Johnson & Johnson Baby Products Company. Prior to joining Johnson & Johnson, he was an Account Executive at Compton Advertising, servicing Procter & Gamble business. Mr. Johnson earned a Masters of Business Administration — Marketing from the Fairleigh Dickinson University and a Bachelors of Science in Economics from Wagner College. Mr. Johnson was a member of the Board of Directors of Scolr Pharma, Inc. from 2010 to 2013 and Chairman from 2011 to 2013. Mr. Johnson has previously served on the Boards of the Generic Pharmaceutical Association and the Consumer Healthcare Products Association.

Director Qualifications:

Leadership Experience – Served as Chief Executive Officer of Matrixx Initiatives

Consumer Products and Marketing Experience – Served as Chief Executive Officer of Matrixx Initiatives; former Vice President, Commercial Development of Perrigo Company; held various marketing and sales positions with Johnson & Johnson

How are the Company’s directors compensated?

Annually, the Compensation Committee reviews and recommends to the Board of Directors any changes in compensation for directors. Unless changed, each of our directors other than Mr. Mannelly receives the following cash and equity compensation for his services as a director:

a one-time grant of our common stock equal to \$20,000, awarded on the date of the first Annual Meeting of Stockholders after initial appointment or election;

an annual grant of restricted stock units valued at \$60,000, awarded on the date of each Annual Meeting of Stockholders, which restricted stock units vest one year after the date of grant so long as membership on the Board of Directors continues through the vesting date, with settlement in common stock to occur on the earliest of the director's death, disability or the six month anniversary of the date on which the director's Board membership ceases for reasons other than death or disability;

a \$30,000 annual cash retainer fee paid in equal quarte