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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: September 30, 2017

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: 0-19254

LIFETIME BRANDS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**11-2682486**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1000 Stewart Avenue, Garden City, New York, 11530
(Address of principal executive offices) (Zip Code)

(516) 683-6000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock outstanding as of October 31, 2017 was 14,816,128.

LIFETIME BRANDS, INC.
FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

INDEX

		Page No.
Part I.	**Financial Information**	
Item 1.	Financial Statements	
	Condensed Consolidated Balance Sheets – September 30, 2017 (unaudited) and December 31, 2016	2
	Condensed Consolidated Statements of Operations (unaudited) – Three and Nine Months Ended September 30, 2017 and 2016	3
	Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited) – Three and Nine Months Ended September 30, 2017 and 2016	4
	Condensed Consolidated Statements of Cash Flows (unaudited) –Nine Months Ended September 30, 2017 and 2016	5
	Notes to Condensed Consolidated Financial Statements (unaudited)	6
	Review Report of Independent Registered Public Accounting Firm	23
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	24
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	38
Item 4.	Controls and Procedures	38
Part II.	**Other Information**	
Item 1.	Legal Proceedings	38
Item 1A.	Risk Factors	39
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	39
Item 5.	Other Information	40
Item 6.	Exhibits	44
Signatures		45

[Table of Contents]

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

LIFETIME BRANDS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	September 30, 2017 (unaudited)	December 31, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 5,533	$ 7,883
Accounts receivable, less allowances of $4,658 at September 30, 2017 and $5,725 at December 31, 2016	119,732	104,556
Inventory (Note A)	175,645	135,212
Prepaid expenses and other current assets	7,110	8,796
Income taxes receivable (Note I)	862	—
TOTAL CURRENT ASSETS	308,882	256,447
PROPERTY AND EQUIPMENT, net	20,091	21,131
INVESTMENTS (Note C)	24,480	22,712
INTANGIBLE ASSETS, net (Note D)	90,045	89,219
DEFERRED INCOME TAXES (Note I)	8,458	8,459
OTHER ASSETS	1,768	1,886
TOTAL ASSETS	$ 453,724	$ 399,854
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturity of Credit Agreement Term Loan (Note E)	$ —	$ 9,343
Short term loan	123	113
Accounts payable	47,987	29,698
Accrued expenses	45,339	45,212
Income taxes payable (Note I)	—	6,920
TOTAL CURRENT LIABILITIES	93,449	91,286
DEFERRED RENT & OTHER LONG-TERM LIABILITIES	17,429	18,973
DEFERRED INCOME TAXES (Note I)	6,290	5,666
REVOLVING CREDIT FACILITY (Note E)	128,457	86,201
STOCKHOLDERS' EQUITY		
Preferred stock, $1.00 par value, shares authorized: 100 shares of Series A and 2,000,000 shares of Series B; none issued and outstanding	—	—
Common stock, $.01 par value, shares authorized: 50,000,000 at September 30, 2017 and December 31, 2016; shares issued and outstanding: 14,797,199 at September 30, 2017 and 14,555,936 at December 31, 2016	148	146
Paid-in capital	177,459	173,600
Retained earnings	59,900	60,981
Accumulated other comprehensive loss (Note L)	(29,408)	(36,999)
TOTAL STOCKHOLDERS' EQUITY	208,099	197,728
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 453,724	$ 399,854

See accompanying independent registered public accounting firm review report and notes to unaudited condensed consolidated financial statements.

LIFETIME BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net sales	$165,957	$170,124	$396,706	$399,099
Cost of sales	108,769	111,802	252,780	257,232
Gross margin	57,188	58,322	143,926	141,867
Distribution expenses	13,495	14,531	39,510	40,225
Selling, general and administrative expenses	34,088	33,009	99,572	94,662
Restructuring expenses	272	—	526	1,701
Income from operations	9,333	10,782	4,318	5,279
Interest expense (Note E)	(1,172)	(1,231)	(3,114)	(3,546)
Loss on early retirement of debt	—	—	(110)	(272)
Income (loss) before income taxes and equity in earnings	8,161	9,551	1,094	1,461
Income tax (provision) benefit (Note I)	(3,505)	(2,961)	(863)	(218)
Equity in earnings (losses), net of taxes (Note C)	(326)	(138)	672	(270)
NET INCOME	$ 4,330	$ 6,452	$ 903	$ 973
BASIC INCOME PER COMMON SHARE (NOTE H)	$ 0.30	$ 0.45	$ 0.06	$ 0.07
DILUTED INCOME PER COMMON SHARE (NOTE H)	$ 0.29	$ 0.44	$ 0.06	$ 0.07
Cash dividends declared per common share	$ 0.0425	$ 0.0425	$ 0.1275	$ 0.1275

See accompanying independent registered public accounting firm review report and notes to unaudited condensed consolidated financial statements.

Table of Contents

LIFETIME BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income	$ 4,330	$ 6,452	$ 903	$ 973
Other comprehensive income (loss), net of taxes:				
Translation adjustment	2,246	(2,007)	7,534	(6,762)
Derivative fair value adjustment	(4)	33	10	(14)
Effect of retirement benefit obligations	16	14	47	41
Other comprehensive income (loss), net of taxes	2,258	(1,960)	7,591	(6,735)
Comprehensive income (loss)	$ 6,588	$ 4,492	$8,494	$ (5,762)

See accompanying independent registered public accounting firm review report and notes to unaudited condensed consolidated financial statements.

LIFETIME BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
OPERATING ACTIVITIES		
Net income	$ 903	$ 973
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	10,697	11,744
Amortization of financing costs	401	513
Deferred rent	(469)	(125)
Stock compensation expense	2,482	2,115
Undistributed equity in (earnings) losses, net	(644)	270
Loss (gain) on disposal of fixed assets	—	(23)
Loss on early retirement of debt	110	272
Changes in operating assets and liabilities (excluding the effects of business acquisitions)		
Accounts receivable	(10,524)	(42,360)
Inventory	(32,508)	(34,552)
Prepaid expenses, other current assets and other assets	1,901	(412)
Accounts payable, accrued expenses and other liabilities	14,539	38,410
Income taxes receivable	(862)	(1,967)
Income taxes payable	(6,949)	(5,246)
NET CASH USED IN OPERATING ACTIVITIES	(20,923)	(30,388)
INVESTING ACTIVITIES		
Purchases of property and equipment	(4,269)	(1,982)
Proceeds from disposition of GSI	—	567
Acquisitions	(9,072)	(9,382)
NET CASH USED IN INVESTING ACTIVITIES	(13,341)	(10,797)
FINANCING ACTIVITIES		
Proceeds from Revolving Credit Facility	191,087	200,144
Repayments of Revolving Credit Facility	(149,289)	(136,175)
Repayment of Credit Agreement Term Loan	(9,500)	(23,000)
Proceeds from Short Term Loan	119	118
Payments on Short Term Loan	(114)	(248)
Payments of financing costs	(39)	(13)
Payments for capital leases	(72)	(55)
Payments of tax withholding for stock based compensation	(188)	(74)
Proceeds from exercise of stock options	1,453	1,217
Cash dividends paid (Note L)	(1,855)	(1,804)
NET CASH PROVIDED BY FINANCING ACTIVITIES	31,602	40,110
Effect of foreign exchange on cash	312	(225)
DECREASE IN CASH AND CASH EQUIVALENTS	(2,350)	(1,300)
Cash and cash equivalents at beginning of period	7,883	7,131
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 5,533	$ 5,831

See accompanying independent registered public accounting firm review report and notes to unaudited condensed consolidated financial statements.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017
(unaudited)

NOTE A — BASIS OF PRESENTATION AND SUMMARY ACCOUNTING POLICIES

Organization and business

Lifetime Brands, Inc. (the “Company”) designs, sources and sells branded kitchenware, tableware and other products used in the home and markets its products under a number of brand names and trademarks, which are either owned or licensed by the Company, or through retailers’ private labels. The Company markets and sells its products principally on a wholesale basis to retailers. The Company also markets and sells a limited selection of its products directly to consumers through its Pfaltzgraff, Mikasa, Fred and Friends, Built NY, Fitz and Floyd, Housewares Deals and Lifetime Sterling internet websites.

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation, which consist only of normal recurring accruals, have been included. These condensed consolidated financial statements should be read in conjunction with the condensed consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016. Operating results for the three and nine month periods ended September 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017.

The Company’s business and working capital needs are highly seasonal, with a majority of sales occurring in the third and fourth quarters. In 2016 and 2015, net sales for the third and fourth quarters accounted for 61% and 59% of total annual net sales, respectively. In anticipation of the pre-holiday shipping season, inventory levels increase primarily in the June through October time period.

Revenue recognition

The Company sells products wholesale, to retailers and distributors, and retail, directly to the consumer. Wholesale sales and retail sales are recognized when title passes to the customer, which is primarily at the shipping point for wholesale sales and upon delivery to the customer for retail sales. Shipping and handling fees that are billed to customers in sales transactions are included in net sales and amounted to $694,000 and $578,000 for the three months ended September 30, 2017 and 2016, respectively, and $1.7 million and $1.6 million for the nine months ended September 30, 2017 and 2016, respectively. Net sales exclude taxes that are collected from customers and remitted to the taxing authorities.

The Company offers various sales incentives and promotional programs to its wholesale customers from time to time in the normal course of business. These incentives and promotions typically include arrangements such as cooperative advertising, buydowns, volume rebates and discounts. These arrangements and an estimate of sales returns are reflected as reductions in net sales in the Company’s condensed consolidated statements of operations.

Cost of sales

Cost of sales consists primarily of costs associated with the production and procurement of product, inbound freight costs, purchasing costs, royalties and other product procurement related charges.

Distribution expenses

Distribution expenses consist primarily of warehousing expenses and freight-out expenses.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

In September 2016, the Company identified and corrected an error in the accumulated depreciation balance relating to certain leasehold improvements at one of its U.S. warehouses. Accordingly, distribution expense for the three and nine months ended September 30, 2016 includes $1.3 million of additional depreciation expense to properly reflect the accumulated depreciation balance of these assets as of September 30, 2016.

Accounts receivable

The Company periodically reviews the collectability of its accounts receivable and establishes allowances for estimated losses that could result from the inability of its customers to make required payments. A considerable amount of judgment is required to assess the ultimate realization of these receivables including assessing the initial and on-going creditworthiness of the Company's customers.

The Company also maintains an allowance for anticipated customer deductions. The allowances for deductions are primarily based on contracts with customers. However, in certain cases the Company does not have a formal contract and, therefore, customer deductions are non-contractual. To evaluate the reasonableness of non-contractual customer deductions, the Company analyzes currently available information and historical trends of deductions.

Receivable purchase agreement

The Company has an uncommitted Receivables Purchase Agreement with HSBC Bank USA, National Association ("HSBC"), as Purchaser (the "Receivables Purchase Agreement"). The sale of accounts receivable, under the Company's Receivable Purchase Agreement with HSBC, are reflected as a reduction of accounts receivable in the Company's condensed consolidated balance sheet at the time of sale and any related expense is included in selling, general and administrative expenses in the Company's condensed consolidated statements of operations. Pursuant to this agreement, the Company sold to HSBC $23.6 million and $62.8 million of Receivables during the three and nine month periods ended September 30, 2017, respectively. A charge of $88,000 and $218,000 related to the sale of the Receivables is included in selling, general and administrative expenses in the condensed consolidated statement of operations for the three and nine month periods ended September 30, 2017, respectively.

Inventory

Inventory consists principally of finished goods sourced from third-party suppliers. Inventory also includes finished goods, work in process and raw materials related to the Company's manufacture of sterling silver products. Inventory is priced using the lower of cost (first-in, first-out basis) or net realizable value. The Company estimates the selling price of its inventory on a product by product basis based on the current selling environment. If the estimated selling price is lower than the inventory's cost, the Company reduces the value of the inventory to its net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predicable cost of completion, disposal and transportation.

The components of inventory are as follows:

	September 30, 2017	December 31, 2016
	(in thousands)	
Finished goods	$ 172,819	$ 132,564
Work in process	1,689	1,521
Raw materials	1,137	1,127
Total	$ 175,645	$ 135,212

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

Fair value of financial instruments

The Company determined the carrying amounts of cash and cash equivalents, accounts receivable and accounts payable are reasonable estimates of their fair values because of their short-term nature. The Company determined that the carrying amounts of borrowings outstanding under its Revolving Credit Facility, term loan and short term loan approximate fair value since such borrowings bear interest at variable market rates.

Derivatives

The Company accounts for derivative instruments in accordance with Accounting Standard Codification ("ASC") Topic No. 815, Derivatives and Hedging. ASC Topic No. 815 requires that all derivative instruments be recognized on the balance sheet at fair value as either an asset or liability. Changes in the fair value of derivatives that qualify as hedges and have been designated as part of a hedging relationship for accounting purposes have no net impact on earnings to the extent the derivative is considered highly effective in achieving offsetting changes in fair value or cash flows attributable to the risk being hedged, until the hedged item is recognized in earnings. If a derivative which is designated as part of a hedging relationship is considered ineffective in achieving offsetting changes in fair value or cash flows attributable to the risk being hedged, the changes in fair value are recorded in operations. For derivatives that do not qualify or are not designated as hedging instruments for accounting purposes, changes in fair value are recorded in operations.

Restructuring Expenses

Costs associated with restructuring activities are recorded at fair value when a liability has been incurred. A liability has been incurred at the point of closure for any remaining operating lease obligations and at the communication date for severance.

In 2016, to reduce costs and achieve synergies, the Company began the process of integrating its legal entities operating in Europe. During the three and nine months ended September 30, 2017, the Company recorded $272,000 and $526,000, of restructuring expense related to the execution of this plan, primarily related to severance. The Company expects to incur approximately $0.6 million of additional restructuring charges in 2017 related to this integration.

In December 2015, the Company commenced an in-depth review of its U.S. Wholesale business segment, which included the evaluation of the segment's efficiency and effectiveness. The Company expanded this restructuring plan in the first quarter of 2016 to focus on more specific actions required to achieve the plan's objectives. During the nine months ended September 30, 2016, the Company recorded $1.7 million of restructuring expense related to the execution of this plan.

Goodwill, intangible assets and long-lived assets

Goodwill and intangible assets deemed to have indefinite lives are not amortized but, instead, are subject to an annual impairment assessment. Additionally, if events or conditions indicate the carrying value of a reporting unit may not be recoverable, the Company would evaluate goodwill and other intangible assets for impairment at that time. As it relates to the goodwill assessment, the Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment testing described in ASU Topic No. 350, *Intangibles – Goodwill and Other*. If, after assessing qualitative factors, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary and the Company's goodwill is considered to be unimpaired. However, if based on the Company's qualitative assessment it concludes that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, or if the Company elects to bypass the qualitative assessment, an unconditional option, the Company will proceed with performing the two-step process.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

The first step in the two-step process compares the carrying value of each reporting unit that has goodwill with the estimated fair value of the respective reporting unit. Should the carrying value of a reporting unit be in excess of the estimated fair value of that reporting unit, the second step must be performed. The second step represents a hypothetical purchase price allocation as if the Company had acquired the reporting unit on that date. The Company also evaluates qualitative factors to determine whether or not its indefinite lived intangibles have been impaired and then performs quantitative tests if required. These tests can include the relief from royalty model or other valuation models.

Long-lived assets, including intangible assets deemed to have finite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment indicators include, among other conditions, cash flow deficits, historic or anticipated declines in revenue or operating profit or material adverse changes in the business climate that indicate that the carrying amount of an asset may be impaired. When impairment indicators are present, the recoverability of the asset is measured by comparing the carrying value of the asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Employee healthcare

The Company self-insures certain portions of its health insurance plans. The Company maintains an accrual for unpaid claims and estimated claims incurred but not yet reported (“IBNR”). Although management believes that it uses the best information available to estimate IBNR claims, actual claims may vary significantly from estimated claims.

Adoption of new accounting pronouncements

Effective January 1, 2017, the Company adopted Accounting Standard Update (“ASU”) 2016-09, *Improvements to Employee Share-Based Payment Accounting.* This standard requires, on a prospective basis, all income tax effects of awards to be recognized in the income statement when the awards vest or are settled. The standard also allows an employer to repurchase more of an employee’s shares than is currently allowed for tax withholding purposes without triggering liability accounting, and allows companies to make a policy election to account for forfeitures as they occur. In connection with the adoption of this standard, the Company adopted a policy to account for forfeitures as they occur on a modified retrospective basis. The change in policy of accounting for forfeitures resulted in a $46,000 decrease to retained earnings, net of tax, which the company recorded as of January 1, 2017. Upon adoption of ASU 2016-09, on a prospective basis, excess tax benefits from share-based award activity will be presented as an operating activity in the Company’s statement of cash flow.

Effective January 1, 2017, the Company adopted ASU 2015-11, *Inventory: Simplifying the Measurement of Inventory*, which affects reporting entities that measure inventory using either the first-in, first-out or average cost method. Specifically, the guidance requires that inventory be measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal, and transportation. This adoption did not have a material impact on the Company’s condensed consolidated financial statements.

Accounting pronouncements to be adopted in future periods

In January 2017, the Financial Accounting Standards Board (“FASB”) issued ASU 2017-04, *Simplifying the Test for Goodwill Impairment*, to simplify the subsequent measurement of goodwill by eliminating the second step of the goodwill impairment test. Under this standard, an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value. The loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. This guidance is effective for interim and annual goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company is evaluating the effect of adopting this pronouncement.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

In January 2017, the FASB issued ASU 2017-01, *Clarifying the Definition of a Business*, to assist with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted for transactions not reported in financial statements that have been issued or made available for issuance.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*, which reduces the diversity in practice on how certain transactions are classified in the statement of cash flows. The guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company is evaluating the effect of adopting this pronouncement.

In February 2016, the FASB issued ASU 2016-02, *Leases,* which requires a lessee to initially recognize a lease liability for the obligation to make lease payments, and a right-of-use asset, for the right to use the underlying asset for the lease term, on the lessee’s balance sheet. The guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within with those years, and is required to be applied using a modified retrospective approach at the beginning of the earliest period presented. Early adoption is permitted. The Company is in the process of evaluating the effect the guidance will have on its existing accounting policies and its consolidated financial statements, but expects there will be an increase in assets and liabilities on the consolidated balance sheets at adoption due to the recording of the right-of-use assets and corresponding lease liabilities, which may be material.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, issued as a new Topic, ASC Topic 606, to clarify the principles of recognizing revenue and create common revenue recognition guidance under U.S. GAAP and International Financial Reporting Standards. Topic 606 is now effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2017, with early adoption permitted for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2016. Topic 606 can be adopted either retrospectively to each reporting period presented or as a cumulative effect adjustment as of the date of the adoption. The standard supersedes existing revenue recognition guidance and replaces it with a five step revenue model with a core principle that an entity recognizes revenue to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. In March 2016, the FASB issued Accounting Standards Update No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* which clarifies the implementation guidance on principal versus agent considerations.

The Company intends to adopt the new guidance provided under Topic 606 on January 1, 2018, with a cumulative-effect adjustment to opening retained earnings under the modified retrospective approach. Currently, the Company recognizes revenue when title passes to customers and incentives and promotions are recognized as a reduction of revenue, which generally reflects the consideration the Company expects to receive in exchange for the goods sold. The Company’s implementation of this ASU includes the evaluation of its customer agreements to identify terms or conditions that could be considered a performance obligation such that, if material to the terms of the contract, consideration would be allocated to the performance obligation and could accelerate or defer the timing of recognizing revenue. The Company continues to evaluate the presentation of certain contract costs (whether presented gross or offset against revenues) and its principal versus agent arrangements.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

The Company's evaluation of the new guidance provided under Topic 606 is not yet complete; however, based on the nature of the Company's primary revenue sources and current policies, the Company does not expect a significant change in the timing and presentation of recognizing its revenue.

NOTE B — ACQUISITION

Fitz and Floyd

On August 31, 2017, the Company acquired the Fitz and Floyd business, including the trade names and related working capital, from Fitz and Floyd Enterprises, LLC ("Fitz") for cash in the amount of $9.1 million. The purchase price was funded by borrowings under the Company's revolving credit facility.

The assets and operating results of the Fitz and Floyd brands are reflected in the Company's condensed consolidated financial statements in accordance with ASC Topic No. 805, *Business Combinations*, commencing from the acquisition date. The condensed consolidated statement of operations for the three and nine months ended September 30, 2017 includes $2.1 million of net sales attributable to the Fitz and Floyd brands.

The purchase price was allocated based on the Company's preliminary estimate of the fair values of the assets acquired and liabilities assumed, as follows (in thousands):

	Purchase Price Allocation
Accounts Receivable	$ 3,115
Inventory	5,424
Other assets	389
Other liabilities	(2,056)
Goodwill and other intangibles	2,200
Total allocated value	$ 9,072

On the basis of estimated fair values, the excess of the purchase price over the net assets acquired of $2.2 million has been allocated as follows: $1.7 million for customer relationships and trade names and $0.5 million for goodwill. The goodwill recognized results from such factors as assembled workforce and the value of other synergies expected from combining operations with the Company. All the goodwill and other intangibles are included in the U.S. Wholesale segment. Customer relationships and trade names are amortized on a straight-line basis over their estimated useful lives (see Note D).

NOTE C — INVESTMENTS

The Company owns an approximately 30% interest in Grupo Vasconia S.A.B. ("Vasconia"), an integrated manufacturer of aluminum products and one of Mexico's largest housewares companies. Shares of Vasconia's capital stock are traded on the Bolsa Mexicana de Valores, the Mexican Stock Exchange. The Quotation Key is VASCONI. The Company accounts for its investment in Vasconia using the equity method of accounting and records its proportionate share of Vasconia's net income in the Company's statement of operations. Accordingly, the Company has recorded its proportionate share of Vasconia's net income (reduced for amortization expense related to the customer relationships acquired) for the three and nine month periods ended September 30, 2017 and 2016 in the accompanying condensed consolidated statements of operations. The value of the Company's investment balance has been translated from Mexican Pesos ("MXN") to U.S. Dollars ("USD") using the spot rates of MXN 18.25 and MXN 20.70 at September 30, 2017 and December 31, 2016, respectively. The Company's proportionate share of Vasconia's net income has been translated from MXN to USD using the average exchange rates of MXN 17.81 and MXN 18.73 during the three months ended September 30, 2017 and 2016, respectively, and MXN 17.81 to MXN 20.30 and MXN 17.79 to MXN 18.27 during the nine months ended

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

September 30, 2017 and 2016, respectively. The effect of the translation of the Company’s investment resulted in an increase to the investment of $1.3 million and a decrease to the investment of $2.5 million during the nine months ended September 30, 2017 and 2016, respectively (also see Note L). These translation effects are recorded in accumulated other comprehensive income (loss). Included within prepaid expenses and other current assets at September 30, 2017 and December 31, 2016 are amounts due from Vasconia of $47,000 and $83,000, respectively. Included within accrued expenses and accounts payable at September 30, 2017 and December 31, 2016 are amounts due to Vasconia of $70,000 and $220,000, respectively.

A summarized statement of income information for Vasconia in USD and MXN is as follows:

	Three Months Ended September 30,			
	2017		2016	
	(in thousands)			
	USD	MXN	USD	MXN
Net sales	$40,184	$715,577	$34,416	$644,788
Gross profit	7,553	134,507	5,736	107,474
Income from operations	1,766	31,440	630	11,798
Net loss	(648)	(11,538)	(215)	(4,020)

	Nine Months Ended September 30,			
	2017		2016	
	(in thousands)			
	USD	MXN	USD	MXN
Net sales	$118,743	$2,236,897	$109,594	$2,002,137
Gross profit	23,162	437,718	18,601	339,808
Income from operations	5,881	112,027	3,626	65,933
Net income	1,754	35,168	521	9,274

The Company recorded equity in losses of Vasconia of $326,000 and equity in earnings of Vasconia of $672,000, net of taxes, for the three and nine months ended September 30, 2017, respectively. The Company recorded equity in losses of Vasconia of $138,000 and $459,000, net of taxes, for the three and nine months ended September 30, 2016, respectively. Due to the requirement to record tax benefits/ expenses for foreign currency translation losses/ gains through other comprehensive income (loss), with a corresponding adjustment to deferred tax liabilities, equity in earnings (losses) for the three and nine months ended September 30, 2017 includes a deferred tax expense of $0.1 million and deferred tax benefit of $0.2 million, respectively. Equity in losses for the three and nine months ended September 30, 2016 includes deferred tax expense of $0.1 million and $0.5 million, respectively.

As of September 30, 2017 and December 31, 2016, the fair value (based upon Vasconia’s quoted stock price on the Mexican Stock Exchange using the average exchange rates of MXN 18.25 and MXN 20.70, respectively) of the Company’s investment in Vasconia was $34.3 million and $29.0 million, respectively. The carrying value of the Company’s investment in Vasconia was $24.2 million and $22.5 million as of September 30, 2017 and December 31, 2016, respectively.

The Company evaluated the disclosure requirements of ASC Topic No. 860, *Transfers and Servicing*, and determined that at September 30, 2017, the Company did not have a controlling voting interest or variable interest in any of its investments and therefore continued accounting for the investments using the equity method of accounting.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

NOTE D — INTANGIBLE ASSETS

Intangible assets consist of the following (in thousands):

	September 30, 2017			December 31, 2016		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Goodwill	$ 15,765	$ —	$15,765	$ 14,201	$ —	$14,201
Indefinite-lived intangible assets:						
Trade names	7,616	—	7,616	7,616	—	7,616
Finite-lived intangible assets:						
Licenses	15,847	(9,255)	6,592	15,847	(8,919)	6,928
Trade names	33,295	(10,421)	22,874	31,150	(8,286)	22,864
Customer relationships	52,755	(15,935)	36,820	49,372	(12,188)	37,184
Other	1,163	(785)	378	1,266	(840)	426
Total	$126,441	$ (36,396)	$90,045	$119,452	$ (30,233)	$89,219

NOTE E — DEBT

The Company’s Second Amended and Restated Credit Agreement with JPMorgan Chase Bank, N.A, as Administrative Agent and Co-Collateral Agent, and HSBC Bank USA, National Association, as Syndication Agent and Co-Collateral Agent, and the other Lenders and Loan Parties party thereto, as amended, (the “Credit Agreement”), which expires in January 2019, provides for, among other things, a revolving credit facility commitment totaling $175.0 million, $40.0 million of which is available for multi-currency borrowings (the “Revolving Credit Facility”) and a term loan facility (the “Term Loan”).

At September 30, 2017 and December 31, 2016, borrowings outstanding under the Revolving Credit Facility were $128.5 million and $86.2 million, respectively, and open letters of credit were $3.2 million and $2.4 million, respectively. In April 2017, the Company repaid the $7.0 million outstanding balance under the Term Loan. As of September 30, 2017 and December 31, 2016, $0 and $9.5 million was outstanding under the Term Loan, respectively. At September 30, 2017 and December 31, 2016, unamortized debt issuance costs were $0 and $157,000, respectively.

At September 30, 2017, availability under the Revolving Credit Facility was approximately $43.4 million. The borrowing capacity under the Revolving Credit Facility depends, in part, on eligible levels of accounts receivable and inventory that fluctuate regularly, and certain trademark values based upon periodic appraisals, and may be lower in the first and second quarters when the Company’s inventory level is lower due to seasonality.

The Company’s payment obligations under the Revolving Credit Facility are unconditionally guaranteed by each of its existing U.S. subsidiaries and will be unconditionally guaranteed by each of its future U.S. subsidiaries. Certain payment obligations under the Revolving Credit Facility are also direct obligations of its foreign subsidiary borrowers designated as such under the Credit Agreement and, subject to limitations on such guaranties, are guaranteed by the foreign subsidiary borrowers, as well as by the Company. The obligations of the Company under the Revolving Credit Facility and any hedging arrangements and cash management services and the guarantees by its domestic subsidiaries in respect of those obligations are secured by substantially all of the

assets and stock (but in the case of foreign subsidiaries, limited to 65% of the capital stock in first-tier foreign subsidiaries and not including the stock of subsidiaries of such first-tier foreign subsidiaries) owned by the Company and the U.S. subsidiary guarantors, subject to certain exceptions. Such security interests consist of a first-priority lien, subject to certain permitted liens, with respect to the assets of the Company and its domestic subsidiaries pledged as collateral in favor of lenders under the Revolving Credit Facility.

Interest rates on outstanding borrowings at September 30, 2017 ranged from 2.25% to 5.25%. In addition, the Company pays a commitment fee of 0.375% on the unused portion of the Revolving Credit Facility.

The Credit Agreement provides for customary restrictions and events of default. Restrictions include limitations on additional indebtedness, acquisitions, investments and payment of dividends, among other things. Further, the Credit Agreement provides that at any time any Term Loan is outstanding or at any time no Term Loan is outstanding and availability under the Revolving Credit Facility is less than $17.5 million and continuing until availability of at least $20.0 million is maintained for three consecutive months, the Company is required to maintain a minimum fixed charge coverage ratio of 1.20 to 1.00 for each of four consecutive fiscal quarter periods. The Company was in compliance with the financial covenants of the Credit Agreement as of September 30, 2017.

NOTE F- DERIVATIVES

The Company is a party to interest rate swap agreements with an aggregate notional value of $7.9 million and $14.0 million, at September 30, 2017 and December 31, 2016, respectively, to manage interest rate exposure in connection with its variable interest rate borrowings. The hedge periods of these agreements commenced in March 2013 and expire in June 2018 and the notional amounts amortize over these periods. The interest rate swap agreements were designated as cash flow hedges under ASC Topic No. 815. The effective portion of the fair value gain or loss on these agreements is recorded as a component of accumulated other comprehensive income (loss).

The Company has also entered into certain foreign exchange contracts, primarily to offset the earnings impact related to fluctuations in foreign currency exchange rates associated with inventory purchases denominated in foreign currencies. The aggregate gross notional value of foreign exchange contracts at September 30, 2017 and December 31, 2016 were $40.5 million and $38.3 million, respectively. These foreign exchange contracts have not been designated as hedges as required in order to apply hedge accounting. The changes in the fair value of these contracts are recorded in earnings immediately.

The fair values of the Company’s derivative financial instruments included in the condensed consolidated balance sheets are presented as follows (in thousands):

Derivatives designated as hedging instruments	Balance Sheet Location	September 30, 2017	December 31, 2016
Interest rate swaps	Prepaid expenses	$ 12	$ —
	Accrued expenses	—	4
	Deferred rent & other long-term liability	—	3

Derivatives not designated as hedging instruments	Balance Sheet Location	September 30, 2017	December 31, 2016
Foreign exchange contracts	Prepaid expenses and other current assets	$ —	$ 924
	Accrued expenses	1,762	—

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

The fair value of the derivatives have been obtained from the counterparties to the agreements and were based on Level 2 observable inputs using proprietary models and estimates about relevant future market conditions.

The amounts of the gains and losses related to the Company's derivative financial instruments designated as hedging instruments are recognized in other comprehensive income (loss) as follows (in thousands):

Derivatives designated as hedging instruments	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Interest rate swaps	$ (4)	$ 33	$ 10	$ (14)

No amounts recorded in accumulated other comprehensive income (loss) are expected to be reclassified to interest expense in the next twelve months.

The amounts of the gains and losses related to the Company's derivative financial instruments not designated as hedging instruments are recognized in earnings as follows (in thousands):

Derivatives not designated as hedging instruments	Location of Gain (Loss) Recognized in Earnings on Derivatives	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Foreign exchange contracts	Selling, general and administrative expense	$ (1,082)	$ 403	$(2,648)	$1,271

NOTE G — STOCK COMPENSATION

On June 22, 2017, the shareholders of the Company approved an amendment to the Company's Amended and Restated 2000 Long-Term Incentive Plan (the "Plan"). The Plan revised the terms and conditions of the Amended and Restated 2000 Long-Term Incentive Plan to increase the shares available for grant under the plan by 437,500 shares, permit certain awards under the Plan to continue to qualify for the exemption from the $1.0 million deduction limit under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and include and clarify several features that promote good governance.

At September 30, 2017, there were 592,369 shares available for awards that could be granted under the Company's Amended and Restated 2000 Long-Term Incentive Plan.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

Option Awards

A summary of the Company’s stock option activity and related information for the nine months ended September 30, 2017 is as follows:

	Options	Weighted-average exercise price	Weighted-average remaining contractual life (years)	Aggregate intrinsic value
Options outstanding, January 1, 2017	1,775,400	$ 13.44		
Grants	125,750	17.38		
Exercises	(132,000)	12.16		
Cancellations	(27,700)	16.32		
Expirations	(90,250)	20.53		
Options outstanding, September 30, 2017	1,651,200	13.40	4.6	$ 8,293,000
Options exercisable, September 30, 2017	1,383,506	$ 12.73	3.9	$ 7,850,000

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value that would have been received by the option holders had all option holders exercised their stock options on September 30, 2017. The intrinsic value is calculated for each in-the-money stock option as the difference between the closing price of the Company’s common stock on September 30, 2017 and the exercise price.

The total intrinsic value of stock options exercised for the nine month periods ended September 30, 2017 and 2016 was $0.9 million and $0.9 million, respectively. The intrinsic value of a stock option that is exercised is calculated at the date of exercise.

Total unrecognized stock option compensation expense at September 30, 2017, before the effect of income taxes, was $1.3 million and is expected to be recognized over a weighted-average period of 2.2 years.

Restricted Stock

A summary of the Company’s restricted stock activity and related information for the nine months ended September 30, 2017 is as follows:

	Restricted Shares	Weighted-average grant date fair value
Non-vested restricted shares, January 1, 2017	161,824	$ 15.35
Grants	133,352	18.32
Vested	(64,795)	15.38
Cancellations	(6,064)	16.07
Non-vested restricted shares, September 30, 2017	224,317	$ 17.09
Total unrecognized compensation expense remaining	$3,310,000	
Weighted-average years expected to be recognized over	2.8	

The total fair value of restricted stock that vested during the nine months ended September 30, 2017 was $1.2 million.

Performance awards

Each performance award represents the right to receive up to 150% of the target number of shares of common stock. The number of shares of common stock earned will be determined based on the attainment of specified performance goals by the end of the performance periods, as determined by the Compensation Committee. The shares are subject to the terms and conditions of the Plan.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

A summary of the Company's performance-based award activity and related information for the nine months ended September 30, 2017 is as follows:

	Performance-based awards (1)	Weighted-average grant date fair value
Non-vested performance-based awards, January 1, 2017	145,962	$ 15.32
Grants	87,000	18.45
Cancellations	(4,070)	16.52
Non-vested performance-based awards, September 30, 2017	228,892	$ 16.49
Total unrecognized compensation expense remaining	$ 2,090,000	
Weighted-average years expected to be recognized over	1.9	

(1) Represents the target number of shares to be issued for each performance-based award.

The Company recognized total stock compensation expense of $1.0 million for the three months ended September 30, 2017, of which $0.2 million represents stock option compensation expense and $0.8 million represents restricted stock and performance based compensation expense. For the nine months ended September 30, 2017 the Company recognized total stock compensation expense of $2.5 million, of which $0.8 million represents stock option compensation expense, $1.7 million represents restricted stock and performance based compensation expense.

The Company recognized total stock compensation expense of $0.8 million for the three months ended September 30, 2016, of which $0.4 million represents stock option compensation expense and $0.4 million represents restricted stock and performance based compensation expense. For the nine months ended September 30, 2016 the Company recognized total stock compensation expense of $2.1 million, of which $1.0 million represents stock option compensation expense, $1.1 million represents restricted stock and performance based compensation expense and $32,000 represents stock awards granted in 2016.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

NOTE H — INCOME PER COMMON SHARE

Basic income per common share has been computed by dividing net income by the weighted-average number of shares of the Company's common stock outstanding during the relevant period. Diluted income per common share adjusts net income and basic income per common share for the effect of all potentially dilutive shares of the Company's common stock. The calculations of basic and diluted income per common share for the three and nine month periods ended September 30, 2017 and 2016 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(in thousands, except per share amounts)			
Net income – basic and diluted	$ 4,330	$ 6,452	$ 903	$ 973
Weighted-average shares outstanding – basic	14,572	14,266	14,422	14,129
Effect of dilutive securities:				
Stock options and other stock awards	471	365	478	365
Weighted-average shares outstanding – diluted	15,043	14,631	14,900	14,494
Basic income per common share	$ 0.30	$ 0.45	$ 0.06	$ 0.07
Diluted income per common share	$ 0.29	$ 0.44	$ 0.06	$ 0.07

The computation of diluted income per common share for the three and nine months ended September 30, 2017 excludes 390,950 shares and 1,461,698 shares, respectively, related to options to purchase shares and other stock awards. The computation of diluted income per common share for the three and nine months ended September 30, 2016 excludes 523,375 shares and 1,632,551 shares, respectively, related to options to purchase shares and other stock awards. These shares, in each case, were excluded due to their antidilutive effect.

NOTE I — INCOME TAXES

On a quarterly basis, the Company evaluates its tax positions and revises its estimates accordingly. The estimated value of the Company's uncertain tax positions at September 30, 2017 is a gross liability of tax and interest of $117,000. The Company believes that $54,000 of its tax positions will be resolved within the next twelve months.

The Company has identified the following jurisdictions as "major" tax jurisdictions: U.S. Federal, California, Massachusetts, New York, New Jersey and the United Kingdom. The Company is no longer subject to U.S. Federal income tax examinations for the years prior to 2014. At September 30, 2017, the periods subject to examination for the Company's major state jurisdictions are the years ended 2013 through 2016.

The Company's policy for recording interest and penalties is to record such items as a component of income taxes. Interest and penalties were not material to the Company's financial position, results of operations or cash flows as of and for the three and nine month periods ended September 30, 2017 and 2016.

The Company's effective tax rate for the nine months ended September 30, 2017 was 78.9% as compared to 14.9% for the 2016 period. The effective tax rate for the nine months ended September 30, 2017 increased due to a change in the jurisdictional mix in forecasted earnings for the year, foreign losses for which no benefit was recorded and expense generated on share based compensation pursuant to the requirements of ASU 2014-09, which was adopted by the Company on January 1, 2017. The Company's effective tax rate for the nine months ended September 30, 2016 reflects the enactment of lower corporate income tax rates in the United Kingdom, from 18% to 17%, effective April 1, 2020, as well as a lower blended state income tax rate.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

NOTE J — BUSINESS SEGMENTS

The Company operates in three reportable business segments: U.S. Wholesale, International and Retail Direct. The U.S. Wholesale segment is the Company's primary domestic business that designs, markets and distributes its products to retailers and distributors. The International segment consists of certain business operations conducted outside the U.S. The Retail Direct segment is where the Company markets and sells a limited selection of its products directly to consumers through its Pfaltzgraff, Mikasa, Fred and Friends, Built NY, Fitz and Floyd, Housewares Deals and Lifetime Sterling internet websites.

The Company has segmented its operations to reflect the manner in which management reviews and evaluates the results of its operations. While the three segments distribute similar products, the segments are distinct due to the different methods the Company uses to sell, market and distribute the products. Management evaluates the performance of the U.S. Wholesale, International and Retail Direct segments based on net sales and income (loss) from operations. Such measures give recognition to specifically identifiable operating costs such as cost of sales, distribution expenses and selling, general and administrative expenses. Certain general and administrative expenses, such as senior executive salaries and benefits, stock compensation, director fees and accounting, legal and consulting fees, are not allocated to the specific segments and are reflected as unallocated corporate expenses.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(in thousands)			
Net sales				
U.S. Wholesale	$137,096	$139,607	$319,258	$314,613
International	25,330	26,736	65,923	71,969
Retail Direct	3,531	3,781	11,525	12,517
Total net sales	$165,957	$170,124	$396,706	$399,099
Income (loss) from operations				
U.S. Wholesale	$ 14,798	$ 14,367	$ 20,745	$ 15,846
International	(1,573)	1,024	(6,473)	1,037
Retail Direct	(259)	(97)	(420)	(54)
Unallocated corporate expenses	(3,633)	(4,512)	(9,534)	(11,550)
Income from operations	$ 9,333	$ 10,782	$ 4,318	$ 5,279
Depreciation and amortization				
U.S. Wholesale	$ 3,010	$ 3,386	$ 7,613	$ 7,837
International	1,048	1,264	3,013	3,804
Retail Direct	5	32	71	103
Total depreciation and amortization	$ 4,063	$ 4,682	$ 10,697	$ 11,744

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

	September 30, 2017	December 31, 2016
	(in thousands)	
Assets		
U.S. Wholesale	$ 332,117	$ 287,313
International	106,295	95,698
Retail Direct	458	501
Unallocated/ Corporate/ Other	14,854	16,342
Total assets	$ 453,724	$ 399,854

NOTE K — CONTINGENCIES

Wallace Silversmiths de Puerto Rico, Ltd. (“WSPR”), a wholly-owned subsidiary of the Company, operates a manufacturing facility in San Germán, Puerto Rico that is leased from the Puerto Rico Industrial Development Company (“PRIDCO”). In March 2008, the United States Environmental Protection Agency (the “EPA”) announced that the San Germán Ground Water Contamination site in Puerto Rico (the “Site”) had been added to the Superfund National Priorities List due to contamination present in the local drinking water supply.

In May 2008, WSPR received from the EPA a Notice of Potential Liability and Request for Information Pursuant to 42 U.S.C. Sections 9607(a) and 9604(e) of the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”). In July 2011, WSPR received a letter from the EPA requesting access to the property that it leases from PRIDCO to conduct an environmental investigation, and the Company granted such access. In February 2013, the EPA requested access to conduct a further environmental investigation at the property. PRIDCO agreed to such access and the Company consented. EPA conducted a further investigation during 2013 and, in April 2015, notified the Company and PRIDCO that the results from vapor intrusion sampling may warrant implementation of measures to mitigate potential exposure to sub-slab soil gas. The Company reviewed the information provided by the EPA and requested that PRIDCO, as the property owner, find and implement a solution acceptable to the EPA. While WSPR did not cause the sub-surface condition that resulted in the potential for vapor intrusion, in order to protect the health of its employees and continue its business operations, it has nevertheless implemented corrective action measures to prevent vapor intrusion such as sealing floors of the building and conducting periodic air monitoring to address potential exposure. On August 13, 2015, the EPA released its remedial investigation and feasibility study (“RI/FS”) for the Site. On December 11, 2015, the EPA issued the Record of Decision (“ROD”) for OU-1, electing to implement its preferred remedy which consists of soil vapor extraction and dual-phase extraction/*in-situ* treatment. This selected remedy includes soil vapor extraction (“SVE”) to address soil (vadose zone) source areas at the Site, impermeable cover as necessary for the implementation of SVE, dual phase extraction in the shallow saprolite zone, and *in-situ* treatment as needed to address residual sources. The EPA’s estimated capital cost for its selected remedy is $7.3 million. The EPA also designated a second operable unit under which the EPA will conduct further investigations to determine the nature and extent of groundwater contamination, as well as a determination by the EPA on the necessity of any further response actions to address groundwater contamination. In February 2017, the EPA indicated that it plans to expand its field investigation for the RI/FS for the second operable unit to further determine the nature and extent of the groundwater contamination at and from the Site and to determine the nature of the remedial action needed to address the contamination. The EPA has requested access to the property occupied by WSPR to install monitoring wells and to undertake groundwater sampling as part of this expanded investigation. WSPR has consented to EPA’s access request, provided that the EPA receives PRIDCO’s consent, as the property owner. WSPR never used the primary contaminant of concern and did not take up its tenancy at the Site until after the EPA had discovered the contamination in the local water supply. The EPA has also issued notices of potential liability to a number of other entities affiliated with the Site, which used the contaminants of concern.

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

Accordingly, based on the above uncertainties and variables, it is not possible at this time for the Company to estimate its share of liability, if any, related to this matter. However, in the event of one or more adverse determinations related to this matter, it is possible that the ultimate liability resulting from this matter and the impact on the Company's results of operations could be material.

The Company is, from time to time, involved in other legal proceedings. The Company believes that other current litigation is routine in nature and incidental to the conduct of the Company's business and that none of this litigation, individually or collectively, would have a material adverse effect on the Company's condensed consolidated financial position, results of operations or cash flows.

NOTE L — OTHER

Cash dividends

Dividends declared in the nine months ended September 30, 2017 are as follows:

Dividend per share	Date declared	Date of record	Payment date
$ 0.0425	March 8, 2017	May 1, 2017	May 15, 2017
$ 0.0425	June 22, 2017	August 1, 2017	August 15, 2017
$ 0.0425	August 4, 2017	November 1, 2017	November 15, 2017

On February 15, 2017, May 15, 2017 and August 15, 2017 the Company paid cash dividends of $613,000, $613,000 and $619,000, respectively, to shareholders of record on February 1, 2017, May 1, 2017 and August 1, 2017, respectively. In the three months ended September 30, 2017, the Company reduced retained earnings for the accrual of $638,000 relating to the dividend payable on November 15, 2017.

On November 7, 2017, the Board of Directors declared a quarterly dividend of $0.0425 per share payable on February 15, 2018 to shareholders of record on February 1, 2018.

Supplemental cash flow information

	Nine Months Ended September 30,	
	2017	2016
	(in thousands)	
Supplemental disclosure of cash flow information:		
Cash paid for interest	$2,695	$ 2,998
Cash paid for taxes	8,675	6,361
Non-cash investing activities:		
Translation adjustment	$7,534	$(7,140)

LIFETIME BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

(unaudited)

Components of accumulated other comprehensive loss, net

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(in thousands)			
Accumulated translation adjustment:				
Balance at beginning of period	$(30,356)	$(17,716)	$(35,644)	$(12,961)
Translation gain (loss) during period	2,246	(2,007)	7,534	(7,140)
Amounts reclassified from accumulated other comprehensive loss: (1)				
Currency translation adjustment	—	—	—	378
Balance at end of period	$(28,110)	$(19,723)	$(28,110)	$(19,723)
Accumulated deferred gains (losses) on cash flow hedges:				
Balance at beginning of period	$ 11	$ (67)	$ (3)	$ (20)
Derivative fair value adjustment, net of taxes of $2 and $22 for the three month periods ended September 30, 2017 and 2016, respectively and $7 and $10 for the nine month periods ended September 30, 2017 and 2016, respectively.	(4)	33	10	(14)
Balance at end of period	$ 7	$ (34)	$ 7	$ (34)
Accumulated effect of retirement benefit obligations:				
Balance at beginning of period	$ (1,321)	$ (1,177)	$ (1,352)	$ (1,204)
Amounts reclassified from accumulated other comprehensive loss: (2)				
Amortization of actuarial losses, net of taxes of $10 and $9 for the three month periods ended September 30, 2017 and 2016, respectively and $31 and $27 for the nine month periods ended September 30, 2017 and 2016, respectively.	16	14	47	41
Balance at end of period	$ (1,305)	$ (1,163)	$ (1,305)	$ (1,163)
Total accumulated other comprehensive loss at end of period	$(29,408)	$(20,920)	$(29,408)	$(20,920)

(1) Amount is recorded in equity in earnings (losses) on the condensed consolidated statements of operations.
(2) Amounts are recorded in selling, general and administrative expense on the condensed consolidated statements of operations.

Review Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Lifetime Brands, Inc.:

We have reviewed the condensed consolidated balance sheet of Lifetime Brands, Inc. as of September 30, 2017, and the related condensed consolidated statements of operations and comprehensive income (loss) for the three-and nine month periods ended September 30, 2017 and 2016, and the related condensed consolidated statements of cash flows for the nine month periods ended September 30, 2017 and 2016. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Lifetime Brands, Inc. as of December 31, 2016, and the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity, and cash flows for the year then ended (not presented herein) and we expressed an unqualified audit opinion on those consolidated financial statements in our report dated March 16, 2017. We did not audit the consolidated financial statements of Grupo Vasconia, S.A.B. and Subsidiaries (a corporation in which the Company has a 30% interest), which statements have been audited by other auditors whose report has been furnished to us, and our opinion on the consolidated financial statements, insofar as it relates to the amounts included for Grupo Vasconia, S.A.B. and Subsidiaries, is based solely on the report of the other auditors. In the consolidated financial statements, the Company's investment in Grupo Vasconia, S.A.B. and Subsidiaries is stated at $22.5 million at December 31, 2016, and the Company's equity in the net income of Grupo Vasconia, S.A.B. and Subsidiaries is stated at $0.6 million for the year ended December 31, 2016. In our opinion, the accompanying condensed consolidated balance sheet of Lifetime Brands, Inc. as of December 31, 2016, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ ERNST & YOUNG LLP

Jericho, New York
November 9, 2017

[Table of Contents](#)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q of Lifetime Brands, Inc. (the "Company" and, unless the context otherwise requires, references to the "Company" shall include its consolidated subsidiaries), contains "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include information concerning the Company's plans, objectives, goals, strategies, future events, future revenues, performance, capital expenditures, financing needs and other information that is not historical information. Many of these statements appear, in particular, in *Management's Discussion and Analysis of Financial Condition and Results of Operations.* When used in this Quarterly Report on Form 10-Q, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "may," "should," "seeks," and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, the Company's examination of historical operating trends, are based upon the Company's current expectations and various assumptions. The Company believes there is a reasonable basis for its expectations and assumptions, but there can be no assurance that the Company will realize its expectations or that the Company's assumptions will prove correct.

There are a number of risks and uncertainties that could cause the Company's actual results to differ materially from the forward-looking statements contained in this Quarterly Report. Important factors that could cause the Company's actual results to differ materially from those expressed as forward-looking statements are set forth in the Company's 2016 Annual Report on Form 10-K in Part I, Item 1A under the heading *Risk Factors*. Such risks, uncertainties and other important factors include, among others, risks related to:

- Tax reform;
- General economic factors and political conditions;
- Indebtedness;
- Seasonality;
- Liquidity;
- Interest;
- Competition;
- Customer practices;
- Intellectual property, brands and licenses;
- International operations;
- Supply chain;
- Foreign exchange rates;
- International trade and transportation;
- Product liability;
- Regulatory matters;
- Product development;
- Reputation;
- Technology;
- Personnel;
- Price fluctuations;
- Business interruptions;
- Projections;
- Fixed costs; and
- Acquisitions and investments;

There may be other factors that may cause the Company's actual results to differ materially from the forward-looking statements. Except as may be required by law, the Company undertakes no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

ABOUT THE COMPANY

The Company designs, sources and sells branded kitchenware, tableware and other products used in the home. The Company's product categories include two categories of products used to prepare, serve and consume foods: Kitchenware (kitchen tools and gadgets, cutlery, cutting boards, shears, cookware, pantryware, spice racks, and bakeware); and Tableware (dinnerware, stemware, flatware and giftware); and one category, Home Solutions, which comprises other products used in the home (thermal beverageware, food storage, neoprene travel products and home décor). In 2016, Kitchenware products and Tableware products accounted for approximately 90% of the Company's U.S. Wholesale net sales and 88% of the Company's consolidated net sales.

At the heart of the Company is a culture of innovation. The Company employs over 120 artists, engineers, industrial designers and graphics specialists, who create new products, packaging and merchandising concepts. The Company expects to introduce approximately 4,000 new or redesigned products globally in 2017. Newly introduced products typically reach their peak sales in 12 to 18 months.

The Company markets several product lines within each of its product categories and under most of the Company's brands, primarily targeting moderate price points through virtually every major level of trade. The Company believes it possesses certain competitive advantages based on its brands, its emphasis on innovation and new product development and its sourcing capabilities. The Company owns or licenses a number of leading brands in its industry, including Farberware®, Mikasa®, KitchenAid®, Pfaltzgraff®, KitchenCraft®, Fitz and Floyd®, Sabatier®, Mossy Oak®, Kamenstein®, Copco®, masterclass®, Fred® and La Cafetière®. Historically, the Company's sales growth has come from expanding product offerings within its product categories, by developing existing brands, acquiring new brands, including complementary brands in markets outside the United States, and establishing new product categories. Key factors in the Company's growth strategy have been the selective use and management of the Company's brands and the Company's ability to provide a stream of new products and designs. A significant element of this strategy is the Company's in-house design and development teams that create new products, packaging and merchandising concepts.

In the third quarter of 2017 the Company acquired the Fitz and Floyd business. Fitz and Floyd designs, sources, markets and distributes Fitz and Floyd® and other branded tabletop products and decorative ceramic collections.

Manufacturing of sterling silver products at the Company's leased manufacturing facility in San Germán, Puerto Rico was temporarily halted due to Hurricane Maria. The hurricane did not cause significant asset damage at the facility, however the interruption in manufacturing resulted in an increase in certain fixed overhead costs during the three months ended September 30, 2017. Manufacturing at the facility resumed during the fourth quarter and the Company in the process of assessing the impact of the interruption and the recovery efforts on its results of operations for the year ended December 31, 2017.

BUSINESS SEGMENTS

The Company operates in three reportable segments: U.S. Wholesale, International and Retail Direct. The U.S. Wholesale segment, is the Company's primary domestic business that designs, markets and distributes its products to retailers and distributors. The International segment consists of certain business operations conducted outside the U.S. The Retail Direct segment is that in which the Company markets and sells a limited selection of its products directly to consumers through its Pfaltzgraff, Mikasa, Fred and Friends, Built NY, Fitz and Floyd, Housewares Deals and Lifetime Sterling internet websites. The Company has segmented its operations to reflect the manner in which management reviews and evaluates its results of operations.

EQUITY INVESTMENTS

The Company owns approximately 30% of the outstanding capital stock of Grupo Vasconia, S.A.B. ("Vasconia"), an integrated manufacturer of aluminum products and one of Mexico's largest housewares companies. Shares of Vasconia's capital stock are traded on the Bolsa Mexicana de Valores, the Mexican Stock Exchange. The Quotation Key is VASCONI.

The Company accounts for its investment in Vasconia using the equity method of accounting and has recorded its proportionate share of Vasconia's net income, net of taxes, as equity in earnings (losses) in the Company's condensed consolidated statements of operations. Pursuant to a Shares Subscription Agreement (the "Agreement"), the Company may designate four persons to be nominated as members of Vasconia's Board of Directors. As of September 30, 2017, Vasconia's Board of Directors is comprised of eleven members of whom the Company has designated three members.

SEASONALITY

The Company's business and working capital needs are highly seasonal, with a majority of sales occurring in the third and fourth quarters. In 2016 and 2015, net sales for the third and fourth quarters accounted for 61% and 59% of total annual net sales, respectively. In anticipation of the pre-holiday shipping season, inventory levels increase primarily in the June through October time period. Consistent with the seasonality of the Company's net sales and inventory levels, the Company also experiences seasonality in its inventory turnover and turnover days from one quarter to the next.

RESTRUCTURING

In 2016, to reduce costs and achieve synergies, the Company began the process of integrating its legal entities operating in Europe. During the three and nine months ended September 30, 2017, the Company recorded $272,000 and $526,000, respectively, of restructuring expense related to the execution of this plan, primarily related to severance. The Company expects to incur approximately $0.6 million of additional restructuring charges in 2017 related to this integration.

In 2015 the Company commenced an in-depth review of its U.S. Wholesale business segment, which included the evaluation of the segment's efficiency and effectiveness, with the objective of developing a plan to restructure its operations as appropriate. During 2016 the Company expanded this restructuring plan to focus on specific actions required to achieve the plan's objectives. The restructuring plan included the realignment of product categories to best achieve the Company's strategic plan and implementation of cost reduction initiatives. During the nine months ended September 30, 2016, the Company recorded $1.7 million of restructuring expense related to the U.S. Wholesale restructuring.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The following is an update to the corresponding accounting policy set forth in the Company's 2016 Annual Report on Form 10-K. Except as modified below, there have been no material changes to the Company's critical accounting policies and estimates discussed in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

Inventory

Inventory consists principally of finished goods sourced from third-party suppliers. Inventory also includes finished goods, work in process and raw materials related to the Company's manufacture of sterling silver products. Inventory is priced using the lower of cost (first-in, first-out basis) or net realizable value. The Company estimates the selling price of its inventory on a product by product basis based on the current selling environment. If the estimated selling price is lower than the inventory's cost, the Company reduces the value of the inventory to its net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predicable cost of completion, disposal and transportation.

Share-based compensation

The Company accounts for its share-based compensation arrangements in accordance with ASC Topic 718, "Stock Compensation", which requires the measurement of compensation expense for all share-based compensation granted to employees and non-employee directors at fair value on the date of grant and recognition of compensation expense over the related service period for awards expected to vest.

The Company uses the Black-Scholes option valuation model to estimate the fair value of its stock options. The Black-Scholes option valuation model requires the input of highly subjective assumptions including the expected stock price volatility of the Company's common stock and the risk-free interest rate. Changes in these subjective input assumptions can materially affect the fair value estimate of the Company's stock options on the date of the option grant.

Performance share awards are initially valued at the Company's closing stock price on the date of grant. Each performance award represents the right to receive up to 150% of the target number of shares of common stock. The number of shares of common stock earned will be determined based on the attainment of specified performance goals by the end of the performance period, as determined by the Compensation Committee. Compensation expense for performance awards is recognized over the vesting period, and will vary based on remeasurement during the performance period. If the performance metrics are not probable of achievement during the performance period, compensation expense would be reversed. The awards are forfeited if the performance metrics are not achieved as of the end of the performance period. The performance share awards vest in full at the end of a three year period.

The Company bases the estimated fair value of restricted stock awards on the fair value of its common stock on the date of grant. The estimated fair value of an award is determined based on the closing price of the Company's common stock on the date of grant multiplied by the number of shares awarded. Compensation expense is recognized on a straight-line basis over the vesting period. Forfeitures are accounted for as they occur.

RESULTS OF OPERATIONS

The following table sets forth statement of operations data of the Company as a percentage of net sales for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	65.5	65.7	63.7	64.5
Gross margin	34.5	34.3	36.3	35.5
Distribution expenses	8.1	8.5	10.0	10.1
Selling, general and administrative expenses	20.5	19.4	25.1	23.7
Restructuring expenses	0.2	—	0.1	0.4
Income from operations	5.7	6.4	1.1	1.3
Interest expense	(0.7)	(0.7)	(0.8)	(0.9)
Loss on early retirement of debt	—	—	—	(0.1)
Income before income taxes and equity in earnings	5.0	5.7	0.3	0.3
Income tax provision	(2.1)	(1.7)	(0.2)	(0.1)
Equity in earnings (losses), net of taxes	(0.2)	(0.1)	0.2	(0.1)
Net income	2.7%	3.9%	0.3%	0.1%

MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED SEPTEMBER 30, 2017 COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 2016

Net Sales

Net sales for the three months ended September 30, 2017 were $166.0 million, a decrease of $4.1 million, or 2.4%, as compared to net sales of $170.1 million for the corresponding period in 2016.

Net sales for the U.S. Wholesale segment for the three months ended September 30, 2017 were $137.1 million, a decrease of $2.5 million, or 1.8%, as compared to net sales of $139.6 million for the corresponding period in 2016.

Net sales for the U.S. Wholesale segment's Kitchenware product category were $74.9 million for the three months ended September 30, 2017, a decrease of $0.1 million, or 0.1%, as compared to $75.0 million for the corresponding period in 2016. The decrease in the U.S. Wholesale segment's Kitchenware product category was attributable to decreases in the pantryware and cutlery product lines, partially offset by tools and gadget and bakeware product lines club program sales.

Net sales for the U.S. Wholesale segment's Tableware product category were $46.5 million for the three months ended September 30, 2017, a decrease of $2.1 million, or 4.3%, as compared to $48.6 million for the corresponding period in 2016. The decrease was attributable to club programs not repeated, partially offset by an increase in sales to online retailers and sales of the recently acquired Fitz and Floyd product line.

Net sales for the U.S. Wholesale segment's Home Solutions product category were $15.7 million for the three months ended September 30, 2017, a decrease of $0.3 million, or 1.9%, as compared to $16.0 million for the corresponding period in 2016. The decrease reflects a change in timing of home decor drug store programs, partially offset by an increase in the Built NY product line sales.

Net sales for the International segment were $25.3 million for the three months ended September 30, 2017, a decrease of $1.4 million, or 5.2%, as compared to net sales of $26.7 million for the corresponding period in 2016. In constant currency, net sales decreased approximately 5.0%. The decrease was due to a decline in the independent U.K. trade channel and tableware sales to national accounts.

Net sales for the Retail Direct segment were $3.5 million for the three months ended September 30, 2017, a decrease of $0.3 million, or 7.9%, as compared to net sales of $3.8 million for the corresponding period in 2016. The decrease was attributable to more emphasis on the wholesale online sales channel and a decrease in promotions.

Gross margin

Gross margin for the three months ended September 30, 2017 was $57.2 million, or 34.5%, as compared to $58.3 million, or 34.3%, for the corresponding period in 2016.

Gross margin for the U.S. Wholesale segment was $47.0 million, or 34.2%, for the three months ended September 30, 2017, as compared to $47.1 million, or 33.8%, for the corresponding period in 2016. Gross margin fluctuates from period to period based on a number of factors, including product and customer mix. The increase reflects a change in customer and product mix, partially offset by an increase in fixed overhead costs due to a decrease in inventory purchases.

Gross margin for the International segment was $7.9 million, or 31.2%, for the three months ended September 30, 2017, as compared to $8.7 million, or 32.4% for the corresponding period in 2016. The decrease in margin is the result of tableware product sales mix and de-emphasized product lines partially offset by improved margin for kitchenware products.

Gross margin for the Retail Direct segment was $2.3 million, or 65.9%, for the three months ended September 30, 2017, as compared to $2.5 million, or 66.9%, for the corresponding period in 2016. The decrease in gross margin percentage in the Retail Direct segment reflects an increase in promotions.

Distribution expenses

Distribution expenses for the three months ended September 30, 2017 were $13.5 million as compared to $14.5 million for the corresponding period in 2016. In September 2016, the Company identified and corrected an error in the accumulated depreciation balance relating to certain leasehold improvements at one of its U.S. warehouses. Accordingly, distribution expense for the three months ended September 30, 2016 includes $1.3 million of additional depreciation expense to properly reflect the accumulated depreciation balance of these assets as of September 30, 2016. Distribution expenses as a percentage of net sales were 8.1% for the three months ended September 30, 2017, as compared to 7.8%, excluding the additional depreciation expense, for the three months ended September 30, 2016.

Distribution expenses as a percentage of net sales for the U.S. Wholesale segment were approximately 7.3% and 7.7% for the three months ended September 30, 2017 and 2016, respectively. Excluding the additional distribution expense described above, distribution expenses as a percentage of net sales for the U.S. Wholesale segment were approximately 6.7% for the three months ended September 30, 2016. As a percentage of sales shipped from the Company's warehouses, distribution expenses for the U.S. Wholesale segment were 8.4% for the three months ended September 30, 2017 and 8.0% for the three months ended September 30, 2016. The increases reflects an increase in freight expense on higher sales to prepaid freight customers.

Distribution expenses as a percentage of net sales for the International segment were approximately 9.5% and 9.7% for the three months ended September 30, 2017 and 2016, respectively. Distribution expenses as a percentage of sales shipped from the Company's U.K. warehouses were 10.8% and 12.2% for the three months ended September 30, 2017 and 2016, respectively. The improvement reflects a decrease in temporary labor costs and lower freight rates.

Distribution expenses as a percentage of net sales for the Retail Direct segment were approximately 34.3% and 31.6% for the three months ended September 30, 2017 and 2016, respectively. The increase was from an increase in freight rates.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended September 30, 2017 were $34.1 million, an increase of $1.1 million, or 3.3%, as compared to $33.0 million for the corresponding period in 2016.

Selling, general and administrative expenses for the three months ended September 30, 2017, for the U.S. Wholesale segment were $22.2 million, an increase of $0.2 million, or 0.9%, from $22.0 million for the corresponding period in 2016. The 2017 period reflects employee severance, intangible amortization related to the Company's 2016 acquisitions, the inclusion of Fitz and Floyd and expenses associated with retailer credit concerns. The increase was partially offset by a decrease attributable to the timing of short term incentive compensation expense. As a percentage of net sales, selling, general and administrative expenses were 16.2% and 15.8% for the three months ended September 30, 2017 and 2016, respectively.

Selling, general and administrative expenses for the three months ended September 30, 2017 for the International segment were $6.9 million, an increase of $1.9 million, from $5.0 million for the corresponding period in 2016. The increase in expenses was primarily due to unrealized losses on foreign currency contracts in the current period resulting from the Company's hedging activity, currency contract settlement payments and expenses attributable to the implementation of SAP.

Selling, general and administrative expenses for the Retail Direct segment were $1.4 million for the three months ended September 30, 2017, as compared to $1.5 million for the three months ended September 30, 2016.

Unallocated corporate expenses for the three months ended September 30, 2017 were $3.6 million as compared to $4.5 million for the corresponding period in 2016. The decrease was primarily attributable to the timing of short term incentive compensation expense.

[Table of Contents](#)

Restructuring expenses

During the three months ended September 30, 2017, the Company recorded $0.3 million of restructuring expense, primarily for severance related to the integration of legal entities operating in Europe.

Interest expense

Interest expense for the three months ended September 30, 2017 was $1.2 million, as compared to $1.2 million for the three months ended September 30, 2016. An increase in average borrowing rate offset a decrease in interest expense due to the term loan repayment.

Income tax provision

The income tax provision for the three months ended September 30, 2017 was $3.5 million as compared to $3.0 million for the corresponding period in 2016. The Company’s effective tax rate for the three months ended September 30, 2017 was 42.9% as compared to 31.0% for the corresponding 2016 period. The effective tax rate for the three months ended September 30, 2017 increased due to a change in the jurisdictional mix in forecasted earnings for the year, foreign losses for which no benefit was recorded and expense generated on share based compensation pursuant to the requirements of ASU 2014-09, which was adopted by the Company on January 1, 2017. The Company’s effective tax rate for the three months ended September 30, 2016 reflects the enactment of lower corporate income tax rates in the United Kingdom, from 18% to 17%, effective April 1, 2020, as well as lower blended state income tax rate.

Equity in losses

Equity in losses of Vasconia was $326,000, net of taxes, for the three months ended September 30, 2017, as compared to equity in losses of $138,000, net of tax, for the corresponding 2016 period. Equity in losses for the three months ended September 30, 2017 and 2016 includes a deferred tax expense of $0.1 million in both periods, respectively, due to the requirement to record tax benefits for foreign currency translation losses through other comprehensive income (loss), with a corresponding adjustment to deferred tax liabilities. Vasconia reported a net loss of $0.6 million and $0.2 million for the three months ended September 30, 2017 and 2016, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED SEPTEMBER 30, 2017 AS COMPARED TO THE NINE MONTHS ENDED SEPTEMBER 30, 2016

Net Sales

Net sales for the nine months ended September 30, 2017 were $396.7 million, a decrease of $2.4 million, or 0.6%, as compared to net sales of $399.1 million for the corresponding period in 2016.

Net sales for the U.S. Wholesale segment for the nine months ended September 30, 2017 were $319.3 million, an increase of $4.7 million, or 1.5%, as compared to net sales of $314.6 million for the corresponding period in 2016.

Net sales for the U.S. Wholesale's Kitchenware product category were $192.8 million for the nine months ended September 30, 2017, an increase of $3.6 million, or 1.9%, as compared to $189.2 million for the corresponding period in 2016. The increase in the U.S. Wholesale segment's Kitchenware product category was primarily attributable to tools and gadget club programs and an increase cookware and bakeware product line sales. The increase was partially offset by cutlery and pantryware club sales not repeated.

Net sales for the U.S. Wholesale's Tableware product category were $88.7 million for the nine months ended September 30, 2017, a decrease of $6.3 million, or 6.6%, as compared to $95.0 million for the corresponding period in 2016. The decrease was attributable to tableware club program not repeated, partially offset by an increase in sales to online retailers.

Net sales for the U.S. Wholesale's Home Solutions product category were $37.8 million for the nine months ended September 30, 2017, an increase of $7.4 million, or 24.3%, as compared to $30.4 million for the corresponding period in 2016. The increase reflects the continued growth in hydration programs, including products under the Built brand.

Net sales for the International segment for the nine months ended September 30, 2017 were $65.9 million, a decrease of $6.1 million, as compared to net sales of $72.0 million for the corresponding period in 2016. In constant currency, net sales decreased approximately 0.9%. The decrease, in constant currency, was due to a decrease in tableware sales.

Net sales for the Retail Direct segment for the nine months ended September 30, 2017 were $11.5 million, a decrease of $1.0 million, or 8.0%, as compared to $12.5 million for the corresponding period in 2016. The decrease was attributable to more emphasis on the wholesale online sales channel and a decrease in promotions.

Gross margin

Gross margin for the nine months ended September 30, 2017 was $143.9 million, or 36.3%, as compared to $141.9 million, or 35.5%, for the corresponding period in 2016.

Gross margin for the U.S. Wholesale segment was $115.1 million, or 36.0% for the nine months ended September 30, 2017, as compared to $108.9 million, or 34.6%, for the corresponding period in 2016. Gross margin fluctuates from period to period based on a number of factors, including product and customer mix. The increase reflects a change in customer and product mix and a decrease in ocean freight rates, partially offset by an increase in fixed overhead costs.

Gross margin for the International segment was $21.2 million, or 32.1% for the nine months ended September 30, 2017, as compared to $24.6 million, or 34.2%, for the corresponding period in 2016. The decrease in margin is the result of a change in customer mix, tableware product lines de-emphasized, higher customer allowances and the weakened British Pound.

Gross margin for the Retail Direct segment was $7.6 million, or 66.6% for the nine months ended September 30, 2017, as compared to $8.4 million, or 66.8%, for the corresponding period in 2016. The decrease in gross margin percentage in Retail Direct reflects an increase in promotional expenses in the 2017 period.

Distribution expenses

Distribution expenses for the nine months ended September 30, 2017 were $39.5 million as compared to $40.2 million for the corresponding period in 2016. In September 2016, the Company identified and corrected an error in the accumulated depreciation balance relating to certain leasehold improvements at one of its U.S. warehouses. Accordingly distribution expense for the nine months ended September 30, 2016 includes $1.3 million of additional depreciation expense to properly reflect the accumulated depreciation balance of these assets as of September 30, 2016. Distribution expenses as a percentage of net sales were 10.0% and 9.7% for the nine months ended September 30, 2017 and 2016, respectively.

Distribution expenses as a percentage of net sales for the U.S. Wholesale segment were approximately 9.1% for both the nine months ended September 30, 2017 and 2016, respectively. Excluding the additional distribution expense described above, distribution expenses as a percentage of net sales for the U.S. Wholesale segment were approximately 8.6% for the nine months ended September 30, 2016. Distribution expenses as a percentage of sales shipped from the Company's warehouses for the U.S. Wholesale segment were 9.9% and 9.6% for the nine months ended September 30, 2017 and 2016, respectively. The increase reflects a decrease in sales shipped and an increase in freight expense on higher sales to prepaid freight customers.

Distribution expenses as a percentage of net sales for the International segment were approximately 10.3% for the nine months ended September 30, 2017, as compared to 11.0% for the corresponding period in 2016. As a percentage of sales shipped from the Company's U.K. warehouses, distribution expenses for the International segment were 11.8% and 12.7% for the nine months ended September 30, 2017 and 2016, respectively. The improvement reflects a reduction in facility expenses due to a reduction in third party warehousing and improvement in freight rates.

Distribution expenses as a percentage of net sales for the Retail Direct segment were approximately 31.3% and 30.4% for the nine months ended September 30, 2017 and 2016, respectively. The increase was from an increase in freight rates.

Selling, general and administrative expenses

Selling, general and administrative expenses for the nine months ended September 30, 2017 were $99.6 million, an increase of $4.9 million, or 5.2%, as compared to $94.7 million for the corresponding period in 2016.

Selling, general and administrative expenses for the nine months ended September 30, 2017 for the U.S. Wholesale segment were $65.3 million, an increase of $2.4 million, or 3.8%, as compared to $62.9 million for the corresponding period in 2016. The 2017 period reflects an increase in employee severance, IT software to improve efficiencies, intangible amortization related to the Company's 2016 acquisitions and customer credit insurance. The increase was partially offset by a decrease attributable to the timing of short term incentive compensation expense. As a percentage of net sales, selling, general and administrative expenses increased to 20.5% for the nine months ended September 30, 2017 compared to 20.0% for the corresponding period in 2016.

Selling, general and administrative expenses for the nine months ended September 30, 2017 for the International segment were $20.3 million, an increase of $4.6 million, or 29.3%, as compared to $15.7 million for the corresponding period in 2016. The increase in expenses in the 2017 period was primarily due to unrealized loss on foreign currency contracts in the current period, as compared to realized and unrealized gains on foreign currency contracts in the corresponding 2016 period, resulting from the Company's hedging activity. In addition, the increase in expenses is attributable to SAP implementation costs.

Selling, general and administrative expenses for the nine months ended September 30, 2017 and 2016 for the Retail Direct segment were $4.4 million and $4.5 million, respectively. The decrease in expenses was primarily due to a reduction in headcount and selling expenses.

Unallocated corporate expenses for the nine months ended September 30, 2017 and 2016 were $9.5 million and $11.6 million, respectively. The decrease was primarily attributable to decrease in acquisition related expenses and the timing of short term incentive compensation expense. The decrease was partially offset by an increase in share based compensation expense.

Restructuring expenses

During the nine months ended September 30, 2017, the Company recorded $0.5 million of restructuring expense, primarily for severance. These charges are related to the integration of legal entities operating in Europe.

During the nine months ended September 30, 2016, the Company recorded $1.7 million of restructuring expense. The expense for the period includes severance of approximately $0.6 million and consulting expenses of approximately $1.1 million. These charges are related to the execution of the U.S. Wholesale restructuring plan.

Interest expense

Interest expense for the nine months ended September 30, 2017 was $3.1 million as compared to $3.5 million for the corresponding period in 2016. The decrease in expense was attributable to a decrease in average borrowings and a decrease in average borrowing rate due to Term Loan repayments.

Loss on early retirement of debt

In April 2017, the Company repaid the outstanding balance under its Term Loan. In connection therewith, the Company wrote-off debt issuance costs of $0.1 million.

In April 2016, the Company made a prepayment of $15.2 million in accordance with the amended terms of the Company's Term Loan. In connection therewith, the Company wrote-off debt issuance costs of $0.3 million.

Income tax provision

The income tax provision for the nine months ended September 30, 2017 was $0.9 million as compared to $0.2 million for the corresponding period in 2016. The Company's effective tax rate for the nine months ended September 30, 2017 was 78.9% as compared to 14.9% for the corresponding 2016 period. The effective tax rate for the nine months ended September 30, 2017 increased due to a change in the jurisdictional mix in forecasted earnings for the year, foreign losses for which no benefit was recorded and expense generated on share based compensation pursuant to the requirements of ASU 2014-09, which was adopted by the Company on January 1, 2017. The Company's effective tax rate for the nine months ended September 30, 2016 reflects the enactment of lower corporate income tax rates in the United Kingdom, from 18% to 17%, effective April 1, 2020, as well as lower blended state income tax rate.

Equity in earnings (losses)

Equity in earnings of Vasconia was $0.7 million, net of taxes, for the nine months ended September 30, 2017, as compared to equity in losses of $0.5 million, net of taxes, for the corresponding 2016 period. Equity in earnings (losses) for the nine months ended September 30, 2017 and 2016 includes a deferred tax benefit (expense) of $0.2 million and ($0.5) million, respectively, due to the requirement to record tax benefits for foreign currency translation losses through other comprehensive income (loss), with a corresponding adjustment to deferred tax liabilities. Vasconia reported income from operations of $5.9 million and $3.6 million for the nine months ended September 30, 2017 and 2016, respectively, and net income of $1.8 million and $0.5 million for the nine months ended September 30, 2017 and 2016, respectively.

During the nine months ended September 30, 2016, the Company sold its 40% equity interest in GSI. Upon the sale of its equity interest in GSI the Company recognized a net gain of $189,000. This gain represents the net consideration received of R$2.3 million (approximately $567,000) reduced by currency translation losses of $378,000 that were recognized when the equity interest was sold.

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal sources of cash to fund liquidity needs are: (i) cash provided by operating activities and (ii) borrowings available under its Second Amended and Restated Credit Agreement with JPMorgan Chase Bank, N.A, as Administrative Agent and Co-Collateral Agent, and HSBC Bank USA, National Association, as Syndication Agent and Co-Collateral Agent, and the other Lenders and Loan Parties party thereto, as amended, (the "Credit Agreement"), which provides for, among other things, a revolving credit facility commitment totaling $175.0 million (the "Revolving Credit Facility") and a term loan facility (the "Term Loan"). The Company's primary uses of funds consist of working capital requirements, capital expenditures and payments of principal and interest on its debt.

At September 30, 2017, the Company had cash and cash equivalents of $5.5 million, compared to $7.9 million at December 31, 2016. Working capital was $215.4 million at September 30, 2017 compared to $165.2 million at December 31, 2016. Liquidity, which includes cash and cash equivalents and availability under its credit facilities (subject to the financial covenants of the Credit Agreement), was $48.9 million.

Inventory, a large component of the Company's working capital, is expected to fluctuate from period to period, with inventory levels higher primarily in the June through October time period. The Company also expects inventory turnover to fluctuate from period to period based on product and customer mix. Certain product categories have lower inventory turnover rates as a result of minimum order quantities from the Company's vendors or customer replenishment needs. Certain other product categories experience higher inventory turnover due to lower minimum order quantities or trending sale demands. For the three months ended September 30, 2017, inventory turnover was 2.5 times, or 144 days, as compared to 2.8 times, or 132 days, for the three months ended September 30, 2016. The decrease in turnover and increase in turnover days is, in part, the result of an increase in average inventory in the U.S. Wholesale segment due to an increase in inventory as the result of the Company's recent acquisitions.

The Company's Credit Agreement, which expires in January 2019, provides for, among other things, a Revolving Credit Facility commitment totaling $175.0 million ($40.0 million of which is available for multi-currency borrowings) and a Term Loan facility.

At September 30, 2017, borrowings outstanding under the Revolving Credit Facility were $128.5 million and open letters of credit were $3.2 million. At September 30, 2017, availability under the Revolving Credit Facility was approximately $43.4 million. The borrowing capacity under the Revolving Credit Facility depends, in part, on eligible levels of accounts receivable and inventory that fluctuate regularly, and certain trademark values based upon periodic appraisals, and may be lower in the first and second quarters when the Company's inventory level is lower due to seasonality.

In April 2017, the Company repaid its $7.0 million outstanding balance under the Term Loan. As of December 31, 2016, $9.5 million was outstanding under the Term Loan. At December 31, 2016, unamortized debt issuance costs were $157,000. In connection with the repayment of the Term Loan, the Company wrote off the unamortized debt issuance costs of $110,000 during the nine months ended September 30, 2017.

The Company's payment obligations under the Revolving Credit Facility are unconditionally guaranteed by each of its existing U.S. subsidiaries and will be unconditionally guaranteed by each of its future U.S. subsidiaries. Certain payment obligations under the Revolving Credit Facility are also direct obligations of its foreign subsidiary borrowers designated as such under the Credit Agreement and, subject to limitations on such guaranties, are guaranteed by the foreign subsidiary borrowers, as well as by the Company. The obligations of the Company under the Revolving Credit Facility and any hedging arrangements and cash management services and the guarantees by its domestic subsidiaries in respect of those obligations are secured by substantially all of the assets and stock (but in the case of foreign subsidiaries, limited to 65% of the capital stock in first-tier foreign subsidiaries and not including the stock of subsidiaries of such first-tier foreign subsidiaries) owned by the Company and the U.S. subsidiary guarantors, subject to certain exceptions. Such security interests consist of a first-priority lien, subject to certain permitted liens, with respect to the assets of the Company and its domestic subsidiaries pledged as collateral in favor of lenders under the Revolving Credit Facility.

Interest rates on outstanding borrowings at September 30, 2017 ranged from 2.25% to 5.25%. In addition, the Company pays a commitment fee of 0.375% on the unused portion of the Revolving Credit Facility.

The Credit Agreement provides for customary restrictions and events of default. Restrictions include limitations on additional indebtedness, acquisitions, investments and payment of dividends, among other things. Further, the Credit Agreement provides that at any time any Term Loan is outstanding or at any time no Term Loan is outstanding and availability under the Revolving Credit Facility is less than $17.5 million and continuing until availability of at least $20.0 million is maintained for three consecutive months, the Company is required to maintain a minimum fixed charge coverage ratio of 1.20 to 1.00 for each of four consecutive fiscal quarter periods. The Company was in compliance with the financial covenants of the Credit Agreement as of September 30, 2017.

Covenant Calculations

Consolidated adjusted EBITDA, as provided below, is used in the calculation of covenants provided for in the Company's Credit Agreement. The following is the Company's consolidated adjusted EBITDA for the last four fiscal quarters:

	Consolidated adjusted EBITDA for the Four Quarters Ended September 30, 2017 (in thousands)
Three months ended September 30, 2017	$ 15,683
Three months ended June 30, 2017 (1)	2,817
Three months ended March 31, 2017(1)	2,546
Three months ended December 31, 2016(1)	24,741
Total for the four quarters	$ 45,787

(1) Consolidated adjusted EBITDA for the three months ended June 30, 2017, March 31, 2017 and December 31, 2016 presented above have been re-cast to exclude the non-cash gains and losses related to the Company's derivative financial instruments not designated as hedging instruments, recognized in earnings. These non-cash gains and losses are permitted to be excluded from the EBITDA covenant in the Company's Credit Agreement. Non-cash gains and losses related to the Company's derivative financial instruments, not designated as hedging instruments, recognized in earnings, were a loss of $1.5 million, a loss of $0.3 million and a gain $0.4 million for the three months ended June 30, 2017, March 31, 2017 and December 31, 2016, respectively.

Capital expenditures for the nine months ended September 30, 2017 were $4.3 million.

Non-GAAP financial measure

Consolidated adjusted EBITDA is a non-GAAP financial measure within the meaning of Regulation G promulgated by the Securities and Exchange Commission. The following is a reconciliation of the net loss, as reported, to consolidated adjusted EBITDA, for the three and nine months ended September 30, 2017 and 2016:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(in thousands)			
Net income as reported	$ 4,330	$ 6,452	$ 903	$ 973
Subtract out:				
Undistributed equity in (earnings) losses, net	326	138	(644)	270
Add back:				
Income tax provision	3,505	2,961	863	218
Interest expense	1,172	1,231	3,114	3,546
Loss on early retirement of debt	—	—	110	272
Depreciation and amortization	4,063	4,682	10,697	11,744
Stock compensation expense	952	825	2,482	2,115
Permitted acquisition related expenses	166	363	192	1,287
Restructuring expenses (1)	272	—	526	1,701
Severance expenses (1)	—	—	155	—
Unrealized loss (gain) on foreign currency contracts (2)	897	25	2,648	(386)
Consolidated adjusted EBITDA	$15,683	$16,677	$21,046	$21,740

(1) Restructuring expenses and severance expenses represent non-recurring charges incurred during such periods and are permitted exclusions from the Company’s consolidated adjusted EBITDA, pursuant to the Company’s Credit Agreement.

(2) Consolidated adjusted EBITDA for the three and nine months ended September 30, 2016 presented above have been re-cast to exclude the non-cash gains and losses related to the Company’s derivative financial instruments not designated as hedging instruments, recognized in earnings. These non-cash gains and losses are permitted to be excluded from the EBITDA covenant in the Company’s Credit Agreement.

Accounts Receivable Purchase Agreement

In order to improve its liquidity during seasonally high working capital periods, in 2016 the Company entered into an uncommitted Receivables Purchase Agreement with HSBC Bank USA, National Association (“HSBC”), as Purchaser (the “Receivables Purchase Agreement”). Under the Receivables Purchase Agreement, the Company may offer to sell certain eligible accounts receivable (the “Receivables”) to HSBC, which may accept such offer, and purchase the offered Receivables. Under the Receivables Purchase Agreement, following each purchase of Receivables, the outstanding aggregate purchased Receivables shall not exceed $25.0 million. HSBC will assume the credit risk of the Receivables purchased; and the Company will continue to be responsible for all non-credit risk matters. The Company will service the Receivables, and as such servicer, collect and otherwise enforce the Receivables on behalf of HSBC. The term of the agreement is for 364 days and shall automatically be extended for annual successive terms unless terminated. Either party may terminate the agreement at any time upon sixty days’ prior written notice to the other party. Pursuant to this agreement, the Company sold to HSBC $23.6 million and $62.8 million of Receivables during the three and nine months ended September 30, 2017, respectively. A charge of $88,000 and $218,000 related to the sale of the Receivables is included in selling, general and administrative expenses in the condensed consolidated statement of operations for the three and nine months ended September 30, 2017, respectively.

Derivatives

The Company is a party to interest rate swap agreements with an aggregate notional amount of $7.9 million to manage interest rate exposure in connection with its variable interest rate borrowings. The hedge periods in these agreements commenced in March 2013 and will expire in September 2018, and the notional amounts amortize over this period. The hedge provides for a fixed payment of interest at an annual rate of 1.05% in exchange for the Adjusted LIBO Rate.

The Company has also entered into certain foreign exchange contracts, to primarily offset the earnings impact related to fluctuations in foreign currency exchange rates associated with sales and inventory purchases denominated in foreign currencies. These foreign exchange contracts have not been designated as hedges as required in order to apply hedge accounting. The changes in the fair value of these contracts are recorded in the condensed consolidated statement of operations.

Operating activities

Net cash used in operating activities was $20.9 million for the nine months ended September 30, 2017 as compared to $30.4 million for the corresponding 2016 period. The change in operating cash flow was primarily due to the timing of the collection of receivables in the current period, as compared to the 2016 period, partially offset by an increase in the payment of accounts payable and accrued expenses in current period, as compared to the 2016 period.

Investing activities

Net cash used in investing activities was $13.3 million for the nine months ended September 30, 2017, as compared to $10.8 million for the corresponding 2016 period. The 2017 investing activity includes the Company's acquisition of Fitz and Floyd and the 2016 investing activity includes the Company's acquisition of inventory and intangibles from Focus Products Group, LLC. The 2017 investing activity also includes software capital expenditures related to SAP.

Financing activities

Net cash provided by financing activities was $31.6 million for the nine months ended September 30, 2017, as compared to $40.1 million for the corresponding 2016 period. The change in financing activities was attributable to the change in borrowings under the Company's Revolving Credit Facility and the prepayment of borrowings under the Company's Term Loan.

Table of Contents

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes in market risk for changes in foreign currency exchange rates and interest rates from the information provided in Item 7A – Quantitative and Qualitative Disclosures About Market Risk in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Company (its principal executive officer and principal financial officer, respectively) have concluded, based on their evaluation as of September 30, 2017, that the Company’s disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports filed by it under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company’s management, including the Chief Executive Officer and Chief Financial Officer of the Company, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Controls

There were no changes in the Company’s internal control over financial reporting that occurred during the Company’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Wallace Silversmiths de Puerto Rico, Ltd. (“WSPR”), a wholly-owned subsidiary of the Company, operates a manufacturing facility in San Germán, Puerto Rico that is leased from the Puerto Rico Industrial Development Company (“PRIDCO”). In March 2008, the United States Environmental Protection Agency (the “EPA”) announced that the San Germán Ground Water Contamination site in Puerto Rico (the “Site”) had been added to the Superfund National Priorities List due to contamination present in the local drinking water supply.

In May 2008, WSPR received from the EPA a Notice of Potential Liability and Request for Information Pursuant to 42 U.S.C. Sections 9607(a) and 9604(e) of the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”). In July 2011, WSPR received a letter from the EPA requesting access to the property that it leases from PRIDCO to conduct an environmental investigation, and the Company granted such access. In February 2013, the EPA requested access to conduct a further environmental investigation at the property. PRIDCO agreed to such access and the Company consented. EPA conducted a further investigation during 2013 and, in April 2015, notified the Company and PRIDCO that the results from vapor intrusion sampling may warrant implementation of measures to mitigate potential exposure to sub-slab soil gas. The Company reviewed the information provided by the EPA and requested that PRIDCO, as the property owner, find and implement a solution acceptable to the EPA. While WSPR did not cause the sub-surface condition that resulted in the potential for vapor intrusion, in order to protect the health of its employees and continue its business operations, it has nevertheless implemented corrective action measures to prevent vapor intrusion such as sealing floors of the building and conducting periodic air monitoring to address potential exposure. On August 13, 2015, the EPA released its remedial investigation and feasibility study (“RI/FS”) for the Site. On December 11, 2015, the EPA issued the Record of Decision (“ROD”) for OU-1, electing to implement its preferred remedy which consists of soil vapor extraction and dual-phase extraction/*in-situ* treatment. This selected remedy includes soil vapor extraction (“SVE”) to address soil (vadose zone) source areas at the Site, impermeable cover as necessary for the implementation of SVE, dual phase extraction in the shallow saprolite zone, and *in-situ* treatment as needed to address residual sources. The EPA’s estimated capital cost for its selected remedy is $7.3 million. The EPA also designated a second operable unit under which the EPA will conduct further investigations to determine the

nature and extent of groundwater contamination, as well as a determination by the EPA on the necessity of any further response actions to address groundwater contamination. In February 2017, the EPA indicated that it plans to expand its field investigation for the RI/FS for the second operable unit to further determine the nature and extent of the groundwater contamination at and from the Site and to determine the nature of the remedial action needed to address the contamination. The EPA has requested access to the property occupied by WSPR to install monitoring wells and to undertake groundwater sampling as part of this expanded investigation. WSPR has consented to EPA's access request, provided that the EPA receives PRIDCO's consent, as the property owner. WSPR never used the primary contaminant of concern and did not take up its tenancy at the Site until after the EPA had discovered the contamination in the local water supply. The EPA has also issued notices of potential liability to a number of other entities affiliated with the Site, which used the contaminants of concern.

Accordingly, based on the above uncertainties and variables, it is not possible at this time for the Company to estimate its share of liability, if any, related to this matter. However, in the event of one or more adverse determinations related to this matter, it is possible that the ultimate liability resulting from this matter and the impact on the Company's results of operations could be material.

The Company is, from time to time, involved in other legal proceedings. The Company believes that other current litigation is routine in nature and incidental to the conduct of the Company's business and that none such litigation, individually or collectively, would have a material adverse effect on the Company's condensed consolidated financial position, results of operations or cash flows.

Item 1A. Risk Factors

There have been no material changes in the company's risk factors from those disclosed in the Company's 2016 Annual Report on Form 10K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total number of shares purchased(1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs(2)	Maximum approximate dollar value of shares that may yet be purchased under the plans or programs subsequent to end of period (2)
August 1- August 31, 2017	616	$ 19.10	—	$ 6,771,467

(1) The repurchased shares were acquired other than as part of a publicly announced plan or program. The Company repurchased these securities in connection with its Amended and Restated 2000 Long Term Incentive Plan which allow participants to use shares to satisfy certain tax liabilities arising from the vesting of restricted stock. The number above does not include unvested shares forfeited back to us pursuant to the terms of our stock compensation plans.

(2) On April 30, 2013, the Board of Directors of Lifetime Brands, Inc. authorized the repurchase of up to $10.0 million of the Company's common stock. The repurchase authorization permits the Company to effect the repurchases from time to time through open market purchases and privately negotiated transactions. No repurchases occurred during the three months ended September 30, 2017.

Item 5. Other Information

On November 8, 2017, Lifetime Brands, Inc. (the "Company") entered into amendments to the employment agreements (the "Employment Agreements") that it had previously entered into with each of Jeffrey Siegel, the Company's Chairman of the Board of Directors and Chief Executive Officer, Ronald Shiftan, the Company's Vice Chairman of the Board of Directors and Chief Operating Officer, and Laurence Winoker, the Company's Senior Vice President – Finance, Treasurer and Chief Financial Officer (the "Amendments").

Amendment to Mr. Siegel's Employment Agreement

The Amendment materially amended or modified the following terms and conditions of Mr. Siegel's Employment Agreement:

1. In the event that Mr. Siegel's employment is terminated by the Company without cause, on account of Mr. Siegel's death or disability, or by Mr. Siegel for good reason (an "Involuntary Termination"), Mr. Siegel's severance payments and benefits include: (i) lump sum payment equal to three years of base salary, (ii) a cash payment equal to three times Mr. Siegel's target bonus at the time of termination, (iii) a pro-rated portion of the performance bonus for the year of termination (or, if termination occurs on or after July 1 of a calendar year, a full performance bonus for the year of termination), (iv) continued benefits (as defined by the Employment Agreement) until the end of the otherwise applicable term (or, if earlier, until Mr. Siegel obtains other employment), and (v) vesting of outstanding stock options and restricted stock awards, to the extent permitted by the Company's equity plan.
2. In the event that Mr. Siegel's employment is terminated by reason of expiration of the term of the Employment Agreement, Mr. Siegel's severance payments and benefits include: (i) a lump sum payment equal to two years of base salary, (ii) a lump sum payment equal to two times the average of the annual bonuses earned during the year of termination and each of the two prior years, and (iii) vesting of outstanding stock options and restricted stock awards, to the extent permitted by the Company's equity plan.
3. In the event that Mr. Siegel's employment is terminated under circumstances constituting any Involuntary Termination or on account of the Company's non-renewal of the term of the Employment Agreement, in each case prior to and in connection with, or within two years following, a change of control of the Company, Mr. Siegel receives the severance payments and benefits described in item 1 above; however, payment in respect of base salary will be based on the greater of the rate in effect at the time of the change of control and at the time of termination, and if termination occurs following a change of control, payment in respect of the target bonus will be based on the target bonus in effect at the time of the change of control.

Additional changes included in the Amendment are: (i) a form of release of claims to be executed by Mr. Siegel in order to receive any severance payments and benefits under the Employment Agreement, (ii) the ability for Mr. Siegel to assume the life insurance policy obtained and owned by the Company in Mr. Siegel's name in the event of his termination of employment other than on account of death or if the Company earlier determines to cease maintaining the policy, and (iii) Mr. Siegel's right to receive reimbursement for reasonable attorneys' fees incurred in any proceeding regarding the Employment Agreement in which he prevails.

The other terms and conditions of Mr. Siegel's Employment Agreement remain substantially unchanged, including other amounts payable thereunder, and have been previously reported on Current Reports on Form 8-K filed by the Company with the SEC on March 18, 2014 and January 19, 2017, respectively.

Amendment to Mr. Shiftan's Employment Agreement

The Amendment materially amended or modified the following terms and conditions of Mr. Shiftan's Employment Agreement:

1. In the event that Mr. Shiftan's employment is terminated by the Company without cause, on account of Mr. Shiftan's death or disability, or by Mr. Shiftan for good reason (an "Involuntary Termination"), Mr. Shiftan's severance payments and benefits include: (i) lump sum payment equal to three years of base salary, (ii) a cash payment equal to three times Mr. Shiftan's target bonus at the time of termination, (iii) a pro-rated portion of the performance bonus for the year of termination, (iv) continued benefits (as defined by the Employment Agreement) until the end of the otherwise applicable term (or, if earlier, until Mr. Shiftan obtains other employment), and (v) vesting of outstanding stock options and restricted stock awards, to the extent permitted by the Company's equity plan.
2. In the event that Mr. Shiftan's employment is terminated on account of the Company's non-renewal of the term of the Employment Agreement, Mr. Shiftan's severance payments and benefits include: (i) a lump sum payment equal to one year of base salary, (ii) a lump sum payment equal to the average of the annual bonuses earned during the year of termination and each of the two prior years, and (iii) vesting of outstanding stock options and restricted stock awards, to the extent permitted by the Company's equity plan.
3. In the event that Mr. Shiftan's employment is terminated under circumstances constituting any Involuntary Termination or on account of the Company's non-renewal of the term of the Employment Agreement, in each case prior to and in connection with, or within two years following, a change of control of the Company, Mr. Shiftan receives the severance payments and benefits described in item 1 above, however, payment in respect of base salary will be based on the greater of the rate in effect at the time of the change of control and at the time of termination, and if termination occurs following a change of control, payment in respect of the target bonus will be based on the target bonus in effect at the time of the change of control.

Additional changes included in the Amendment are: (i) a form of release of claims to be executed by Mr. Shiftan in order to receive any severance payments and benefits under the Employment Agreement, (ii) the ability for Mr. Shiftan to assume the life insurance policy obtained and owned by the Company in Mr. Shiftan's name in the event of his termination of employment other than on account of death or if the Company earlier determines to cease maintaining the policy, (iii) Mr. Shiftan's right to receive reimbursement for reasonable attorneys' fees incurred in any proceeding regarding the Employment Agreement in which he prevails, and (iv) amendments relating to the requirements of the federal Defend Trade Secrets Act of 2016.

The other terms and conditions of Mr. Shiftan's Employment Agreement remain unchanged, including other amounts payable thereunder, and have been previously reported on Current Reports on Form 8-K filed by the Company with the SEC on December 21, 2012 and November 30, 2015, respectively.

Amendment to Mr. Winoker's Employment Agreement

The Amendment materially amended or modified the following terms and conditions of Mr. Winoker's Employment Agreement:

1. In the event that Mr. Winoker's employment is terminated by the Company without cause or by Mr. Winoker for good reason, Mr. Winoker's severance payments and benefits include: (i) continued payments of base salary for two years, (ii) a cash payment equal to two times Mr. Winoker's target bonus of 62.5% of Mr. Winoker's base salary, (iii) a pro-rated portion of the performance bonus for the year of termination, (iv) continued benefits (as defined by the Employment Agreement) for one year, and (v) vesting of outstanding stock options and restricted stock awards, to the extent permitted by the Company's equity plan.
2. In the event that Mr. Winoker's employment is terminated by the Company without cause, on account of the Company's non-renewal of the term of the Employment Agreement or by Mr. Winoker for good reason, in each case prior to and in connection with, or within two years following, a change of control of the Company, Mr. Winoker's severance payments and benefits are the same as described in item 1 above, except that the 24 months of base salary will be paid in one lump sum, and for purposes of Mr. Winoker's severance payments, base salary will be based on the greater of base salary in effect at the time of the change of control or termination of employment.

Additional changes included in the Amendment are: (i) a form of release of claims to be executed by Mr. Winoker in order to receive any severance payments and benefits under the Employment Agreement, (ii) modification of the period prior to a change of control of the Company during which Mr. Winoker's employment must be terminated in order to receive change of control severance benefits, and (iii) amendments relating to the requirements of the federal Defend Trade Secrets Act of 2016.

The other terms and conditions of Mr. Winoker's Employment Agreement remain unchanged, including other amounts payable thereunder, and have been previously reported on Current Reports on Form 8-K filed by the Company with the SEC on July 3, 2007, March 10, 2010, April 16, 2012, and September 16, 2015, respectively.

Mr. Daniel Siegel's Employment Agreement

Also on November 8, 2017, the Company entered into a new employment agreement with Daniel Siegel, the Company's President (the "New Employment Agreement"). The New Employment Agreement provides, among other things, that:

1. The term of Mr. Daniel Siegel's employment, under the Employment Agreement, will begin on January 1, 2018 and will continue through December 31, 2020. The term will automatically renew for consecutive one-year periods, unless Mr. Daniel Siegel's employment is otherwise earlier terminated or the Company or Mr. Daniel Siegel provides notice of non-renewal at least 90 days prior to the applicable expiration date.

2. The Company will pay Mr. Daniel Siegel a base salary at an annualized rate of $512,500 through June 30, 2019. Effective July 1, 2019, the Company will pay Mr. Daniel Siegel a base salary at an annualized rate of $550,000.

3. The Company will pay Mr. Daniel Siegel an automobile allowance of $1,500 per month.

4. For each year during the term of Mr. Daniel Siegel's employment, Mr. Daniel Siegel will receive performance bonuses (i) based on the Company's Adjusted Income Before Income Taxes for such year (the "Annual Adjusted IBIT Performance Bonus"), and (ii) based on Mr. Daniel Siegel having met certain individual performance goals for such year (the "Individual Goal Target Bonus").

5. In the event that Mr. Daniel Siegel is terminated for any reason, Mr. Daniel Siegel is entitled to the following amounts: (i) payment of his base salary accrued up to and including the date of termination of employment, (ii) payment in lieu of any accrued but unused vacation time and (iii) payment of any unreimbursed expenses.

6. In the event that Mr. Daniel Siegel's employment is terminated by the Company on account of the Company's non-renewal of the Employment Agreement, Mr. Daniel Siegel's severance payments and benefits include: (i) continued payments of base salary for one year, (ii) the Annual Adjusted IBIT Performance Bonus for the year of termination, (iii) continued medical and dental benefits at actively employee rates for one year, and (iv) vesting of outstanding stock options and restricted stock awards, to the extent permitted by the Company's equity plan.

7. In the event that Mr. Daniel Siegel's employment is terminated by the Company without cause or by Mr. Daniel Siegel for good reason (in each case, as defined in the Employment Agreement), Mr. Daniel Siegel's severance payments and benefits include: (i) continued payment of base salary for two years, (ii) a pro-rated portion of the Annual Adjusted IBIT Performance Bonus for the year of termination, (iii) a cash payment equal to two times Mr. Daniel Siegel's target bonus of 112.5% of base salary, (iv) continued medical and benefits at active employee rates for one year, and (v) vesting of outstanding stock options and restricted stock awards, to the extent permitted by the Company's equity plan.

8. In the event that Mr. Daniel Siegel's employment is terminated by the Company without cause, on account of the Company's non-renewal of the term of the Employment Agreement or by Mr. Daniel Siegel for good reason, in each case during the period beginning 90 days prior to, through the end of the two year period following, a change of control of the Company (as defined in the Employment Agreement), Mr. Daniel Siegel's severance payments and benefits are the same as described in item 7, except that the 24 months of base salary will be paid in one lump sum, and for purposes of Mr. Daniel Siegel's severance payments, base salary will be based on the greater of base salary in effect at the time of the change of control or termination of employment.

9. In the event that Mr. Daniel Siegel's employment is terminated by reason of Mr. Daniel Siegel's death, Mr. Daniel Siegel's legal representative, estate or designated beneficiary, as applicable will be entitled to receive any pro-rated Annual Adjusted IBIT Performance Bonus accrued through the effective date of his termination.

10. In the event that Mr. Daniel Siegel's employment is terminated by reason of Mr. Daniel Siegel's total disability (as defined in the Employment Agreement), Mr. Daniel Siegel will be entitled to receive: (i) continued payment of base salary for six months and (ii) any pro-rated Annual Adjusted IBIT Performance Bonus accrued through the effective date of his termination.

11. If Mr. Daniel Siegel prevails in any legal action to enforce rights under the Employment Agreement, the Company will reimburse Mr. Daniel Siegel for reasonable attorneys' fees and costs.

12. Additional terms included in the Employment Agreement are: (i) a form of release of claims to be executed by Mr. Daniel Siegel in order to receive any severance payments and benefits under the Employment Agreement and (ii) non-competition and non-solicitation restrictions which apply during the employment term and for a period of one year following termination of employment.

The foregoing descriptions of the Amendments and the New Employment Agreement do not purport to be complete and are qualified in their entirety by reference to the complete text of the Amendments and the New Employment Agreement, which are filed as exhibits to this Form 10-Q and incorporated by reference in this Item 5 in their entirety.

Table of Contents

Item 6. Exhibits

Exhibit No.	
10.1	Amendment to the Amended and Restated Employment Agreement, dated November 8, 2017, between Lifetime Brands, Inc. and Jeffrey Siegel
10.2	Amendment to the Third Amended and Restated Employment Agreement, dated November 8, 2017, between Lifetime Brands, Inc. and Ronald Shiftan
10.3	Amendment to the Amended and Restated Employment Agreement, dated November 8, 2017, between Lifetime Brands, Inc. and Laurence Winoker
10.4	Employment Agreement, dated November 8, 2017, between Lifetime Brands, Inc. and Daniel Siegel
31.1	Certification by Jeffrey Siegel, Chief Executive Officer and Chairman of the Board of Directors, pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification by Laurence Winoker, Senior Vice President – Finance, Treasurer and Chief Financial Officer, pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification by Jeffrey Siegel, Chief Executive Officer and Chairman of the Board of Directors, and Laurence Winoker, Senior Vice President – Finance, Treasurer and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Lifetime Brands, Inc.

/s/ Jeffrey Siegel
November 9, 2017
Jeffrey Siegel
Chief Executive Officer and Director
(Principal Executive Officer)

/s/ Laurence Winoker
November 9, 2017
Laurence Winoker
Senior Vice President – Finance, Treasurer and
Chief Financial Officer
(Principal Financial and Accounting Officer)

AMENDMENT TO THE AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This Amendment, dated as of November 8, 2017, by and between LIFETIME BRANDS INC., a Delaware Corporation (the "Employer") and JEFFREY SIEGEL, (the "Executive") amends the Third Amended and Restated Employment Agreement, dated as of January 12, 2017 (the "Employment Agreement") between the Employer and the Executive. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Employment Agreement.

WHEREAS, the Employer and the Executive have agreed upon certain changes to the Employment Agreement; and

WHEREAS, pursuant to Section 8(g) of the Employment Agreement, the Employer and the Executive wish to amend the Employment Agreement to provide for these revised contractual terms;

NOW, THEREFORE, in consideration of Executive's continued employment with the Employer and other good and sufficient consideration set forth herein, the Employer and the Executive hereby agree as follows:

1. Section 3 of the Employment Agreement shall be deleted in its entirety and replaced with the following:

   "Term of Employment. The term of the Executive's employment under this Agreement (the "Term") shall commence on the Effective Date and continue until December 31, 2019, unless his employment is sooner terminated pursuant to the provisions of Section 5 hereof; provided, however, that on each of December 31, 2019 and December 31, 2020, the Term shall be extended for an additional one year period unless either party gives to the other party written notice ("Notice of Non-Renewal") at least 180 days prior to such date of its decision not to extend the Term."

2. Section 4(b) of the Employment Agreement shall be amended to add the following Section 4(b)(iii):

   "(iii) For purposes of this Agreement, the term "Target Bonus" shall mean the annual target bonus in effect for the year in which termination occurs (including for the avoidance of doubt, the Annual Individual Goal Bonus payable if the Executive meets individual objectives); provided that, for purposes of payments made under Section 5(c) within two years following a Change in Control, Target Bonus shall mean the annual target bonus in effect for the year in which the Change in Control occurs (including, for the avoidance of doubt, the Annual Individual Goal Bonus payable if the Executive meets individual objectives)."

3. Section 5(b)(i) of the Employment Agreement shall be deleted in its entirety and replaced with the following:

"(i) If, prior to the expiration of the Term, the Executive's employment is terminated (A) by the Employer for any reason other than Cause, (B) by the Executive for Good Reason, (C) by the Employer or the Executive due to the Executive's Disability or (D) by reason of the Executive's death (such a resignation or termination being hereinafter referred to as an "Involuntary Termination"), the Executive shall be entitled to payment of the Accrued Obligations. In addition, in the event of the Executive's Involuntary Termination, the Employer shall, conditioned (except in the case of death) upon the Executive's execution and non-revocation of a release of all claims against the Employer in the form attached as Exhibit A ("Release") within such time as the Employer shall provide, pay to the Executive as severance (the "Severance Payments") the following amounts:

(x) 3.0 times the annual Base Salary in effect at the time of termination; provided that, if such payment is made pursuant to Section 5(c), then this Section 5(b)(i)(x) shall be equal to 3.0 times the greater of annual Base Salary in effect at the time of termination or annual Base Salary in effect at the time of the Change in Control,

(y) 3.0 times the Target Bonus, and

(z) the Annual Adjusted IBIT Performance Bonus accrued to the date of Termination calculated in accordance with Section 4(b).

The Employer shall pay to the Executive (1) the amounts referred to in clauses (x) and (y) in cash, in a lump sum within 60 days of such termination and (2) the amount referred to in clause (z) on or following January 1 of the year following the year in which such termination occurs and within 10 days of the Employer filing with the Securities and Exchange Commission its Annual Report on Form 10-K for the year in which such termination occurs; provided, however if the date established by the Internal Revenue Service (the "IRS Payment Date") by which such payment must be made in order for the Employer to deduct the amount of the Adjusted IBIT Performance Bonus for such year is earlier, the Employer shall pay, (A) if the Employer can determine such amount by the IRS Payment Date, such amount prior to the IRS Payment date or (B) if the Employer cannot determine such amount by the IRS Payment Date, 90% of the Employer's good faith estimate of such amount by the IRS Payment Date and the balance, if any, as soon thereafter as the Employer can determine such amount; and provided, further, that such payment shall be made no later than December 31 of the year following the year in which such termination occurs. If, however, 90% of the Employer's good faith estimate of such amount is more than the Adjusted IBIT Performance Bonus for such year, the Executive shall promptly return such excess to the Employer as soon as the Employer shall notify the Executive of the amount of such excess. In addition, in the event of the Executive's Involuntary Termination, all of the Executive's then-outstanding stock options and restricted stock shall be immediately vested and exercisable, to the extent consistent with the terms and conditions of the Employer's Amended and Restated 2000 Long-Term Incentive Plan governing such stock options and restricted stock. Anything in this Agreement to the contrary notwithstanding, no Severance Payments shall be payable

under this Section 5(b) if the Executive's employment with the Employer ends at the expiration or non-renewal of the Term in accordance with Section 3. Anything in this Agreement to the contrary notwithstanding, in no event shall the timing of the Executive signing the Release, directly or indirectly, result in the Executive designating the calendar year of payment of any amounts set forth in this Agreement, and if a payment that is subject to the execution of such Release could be made in more than one taxable year, payment shall be made in the later taxable year."

4. The first sentence of Section 5(c) shall be deleted and replaced with the following:

"(c) If, during the Term, the Employer undergoes a "Change in Control" (as defined below), and either (i) upon or within two (2) years following the Change in Control, the Executive's employment is terminated under circumstances that would constitute an Involuntary Termination or the Executive's employment terminates upon expiration of the Term following a Notice of Non-Renewal provided by the Employer, or (ii) the Executive undergoes an Involuntary Termination or the Executive's employment terminates upon expiration of the Term following a Notice of Non-Renewal provided by the Employer and within 90 days of the Involuntary Termination or such expiration of the Term, the Employer executes a definitive agreement to enter into a transaction the consummation of which would result in a "Change in Control" and such transaction is actually consummated, all of the Executive's then-outstanding stock options and restricted stock shall be immediately vested and exercisable, to the extent consistent with the terms and conditions of the Employer's Amended and Restated 2000 Long-Term Incentive Plan governing such stock options and restricted stock, and the Executive shall be entitled to payment of the Accrued Obligations and, conditioned upon his execution and non-revocation of the Release, within such time period as the Employer shall provide, the Severance Payments in accordance with the terms of Section 5(b)(i). For the avoidance of doubt, the payments and benefits provided under this Section 5(c) shall be in lieu of and not in addition to the payments and benefits provided under Section 5(b) or 5(f), as applicable. For purposes of this Section 5(c), in determining whether a termination by the Executive constitutes an Involuntary Termination, Good Reason shall be deemed to include, in addition to each event described in Section 5(a)(B) hereof, a circumstance in which the Employer, the Board or any person controlling the Employer requires the Executive to travel for business materially more than the Executive is required to travel for business as of the date hereof)."

5. The last sentence of the first paragraph of Section 5(d) of the Employment Agreement shall be deleted in its and entirety and replaced with the following:

"In addition, in the event the Executive's employment is terminated due to Disability, all of the Executive's then-outstanding stock options and restricted stock shall be immediately vested and exercisable, to the extent consistent with the terms and conditions of the Employer's Amended and Restated 2000 Long-Term Incentive Plan governing such stock options and restricted stock."

6. Section 5(f) of the Employment Agreement shall be deleted in its entirety and replaced with the following:

> "If the Executive's employment is terminated by reason of expiration of the Term, the Executive shall be entitled to payment of the Accrued Obligations. In addition, in such event, the Employer shall, conditioned upon the Executive's execution and non-revocation of the Release within such time as the Employer shall provide, pay to the Executive as severance (the "Term Expiration Severance Payment") that amount equal to:
>
> > 2.0 times the annual Base Salary, plus
> >
> > 2.0 times the average of the sum of (A) the Annual Adjusted IBIT Performance Bonus and (B) the Annual Individual Goal Bonus paid by the Employer to the Executive, with respect to the year ending on the date on which the Executive's employment is terminated by reason of the expiration of the Term and each of the two immediately preceding years.
>
> The Employer shall pay to the Executive such amount in cash, in a lump sum within ten days of the Employer filing with the Securities and Exchange Commission its Annual Report on Form 10-K for the year in which such termination occurs; provided, however if the date established by the Internal Revenue Service (the "IRS Payment Date") by which such payment must be made in order for the Employer to deduct the amount of the Adjusted IBIT Performance Bonus for such year is earlier, the Employer shall pay, (i) if the Employer can determine such amount by the IRS Payment Date, such amount prior to the IRS Payment date or (ii) if the Employer cannot determine such amount by the IRS Payment Date, 90% of the Employer's good faith estimate of such amount by the IRS Payment Date and the balance, if any, as soon thereafter as the Employer can determine such amount. If, however, 90% of the Employer's good faith estimate of such amount is more than the Adjusted IBIT Performance Bonus for such year, the Executive shall promptly return such excess to the Employer as soon as the Employer shall notify the Executive of the amount of such excess. In addition, in such event, all of the Executive's then outstanding stock options and restricted stock shall be immediately vested and exercisable, to the extent to the extent consistent with the terms and conditions of the Employer's Amended and Restated 2000 Long-Term Incentive Plan governing such stock options and restricted stock."

7. A new sentence shall be added to the end of Section 5(i) which shall state:

> "In addition, upon the Executive's termination of employment for any reason other than death, the Executive shall have the right to assume the life insurance policy in the Executive's name obtained and owned by the Employer (Policy number) to the extent such assumption is permitted by such policy and the insurer; provided that, the preceding clause shall not obligate the Employer to continue to maintain the policy referenced herein or any other life insurance policy in the Executive's name; provided further that, in the event that the Employer elects to cease maintaining the policy

referenced herein prior to the Executive's termination of employment, the Executive shall have the right to assume such policy. For the avoidance of doubt, in the event of any assumption of such policy by the Executive pursuant to this Section 5(i), the Employer shall have no further liability with respect to such life insurance policy."

8. A new Section 7(e) shall be added to the Employment Agreement which shall state:

   "The Amended and Restated Indemnification Agreement between the Employer and the Executive, dated January 26, 2016, shall remain in full force and effect in accordance with its terms."

9. Section 8(i) of the Employment Agreement shall be deleted in its entirety and replaced with the following:

   "(i) Governing Law; Disputes. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (determined without regard to the choice of law provisions thereof), and the parties consent to jurisdiction in the United States District Court for the Southern District of New York. If the Executive prevails in any legal or arbitration proceeding commenced in connection with this Agreement, then the Employer shall reimburse the Executive for reasonable attorneys' fees and costs incurred in connection therewith."

10. Exhibit A attached hereto shall be attached to the Employment Agreement as Exhibit A.

11. The Employment Agreement, as amended by this Amendment, constitutes the entire and exclusive agreement between the parties with respect to the subject matter hereof. All previous discussions and agreements with respect to the subject matter of this Amendment are superseded by this Amendment.

12. Except as expressly amended hereby, all of the terms, conditions, and provisions of the Employment Agreement, as amended, shall remain in full force and effect. This Amendment shall form a part of the Employment Agreement for all purposes.

13. This Amendment may be executed in counterparts and by facsimile or other electronic means, including by portable document format (PDF), each of which shall be deemed to have the same legal effect as an original and together shall constitute one and the same instrument.

14. The Employer represents and warrants that it has the full power and authority to enter into this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first written above.

LIFETIME BRANDS, INC.

By: /s/ Ronald Shiftan
Name: Ronald Shiftan
Title: Vice Chairman and COO

/s/ Jeffrey Siegel
Jeffrey Siegel

Exhibit A

Release

I, Jeffrey Siegel, the undersigned, agree to accept the payments and benefits set forth on Section 5 of the employment agreement between me and Lifetime Brands, Inc. (the "Company") dated as of [MONTH]   , 2017 (the "Employment Agreement") in full resolution and satisfaction of, and hereby IRREVOCABLY AND UNCONDITIONALLY RELEASE, REMISE AND FOREVER DISCHARGE the Company and Releasees from any and all agreements, promises, liabilities, claims, demands, rights and entitlements of any kind whatsoever, in law or equity, whether known or unknown, asserted or unasserted, fixed or contingent, apparent or concealed, to the maximum extent permitted by law ("Claims"), which I, my heirs, executors, administrators, successors or assigns ever had, now have or hereafter can, shall or may have for, upon, or by reason of any matter, cause or thing whatsoever existing, arising, occurring or relating to my employment and/or termination thereof with the Company and Releasees, or my economic rights as an equity holder of the Company or Releasees, at any time on or prior to the date I execute this Release, including, without limitation, any and all Claims arising out of or relating to compensation, benefits, any and all contract claims, tort claims, fraud claims, claims for bonuses, commissions, sales credits, etc., defamation, disparagement, or other personal injury claims, claims for accrued vacation pay, claims under any federal, state or municipal wage payment, harassment, retaliation, discrimination or fair employment practices law, statute or regulation, and claims for costs, expenses and attorneys' fees with respect thereto. This release and waiver includes, without limitation, any and all rights and claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866, 1871 and 1991, Section 1981 of U.S.C,, the Employee Retirement Income Security Act, the Age Discrimination in Employment Act (including but not limited to the Older Workers Benefit Protection Act), the Americans with Disabilities Act, the Genetic Information Non-discrimination Act, the Family and Medical Leave Act, the Equal Pay Act, New York State Human Rights Law, New York Equal Pay Law, New York Equal Rights Law, New York Off-duty Conduct Lawful Activities Discrimination Law, New York State Labor Relations Act, Article 23-A of the New York State Corrections Law, New York Whistleblower Statute, New York Family Leave Law, New York Minimum Wage Act, New York Wage and Hour Law, New York Wage Hour and Wage Payment Law, New York WARN Act, and retaliation provisions of New York Workers' Compensation Law, and all amendments to the foregoing, and any other federal, state or local statute, ordinance, regulation or constitutional provision regarding employment, compensation, employee benefits, termination of employment or discrimination in employment.

Except as permitted by Section 6(c) of the Employment Agreement and explained below, I represent and affirm (i) that I have not filed any Claim against the Company or Releasees and (ii) that to the best of my knowledge and belief, there are no outstanding Claims.

For the purpose of implementing a full and complete release and discharge of Claims, I expressly acknowledge that this Release is intended to include in its effect, without limitation, all the Claims described in the preceding paragraphs, whether known or unknown, apparent or concealed, and that this Release contemplates the extinction of all such Claims, including Claims for attorney's fees. I expressly waive any right to assert after the execution of this Release that any such Claim has, through ignorance or oversight, been omitted from the scope of the Release.

For purposes of this Release, the term "the Company and Releasees" includes the Company and its past, present and future direct and indirect parents, subsidiaries, affiliates, divisions, predecessors, successors, and assigns, and their past, present and future officers, directors, shareholders, representatives, agents, attorneys and employees, in their official and individual capacities, and all other related individuals and entities, jointly and individually, and this Release shall inure to the benefit of and shall be binding and enforceable by all such entities and individuals.

Notwithstanding anything in this Release to the contrary, I do not waive (i) my existing right to receive vested accrued benefits under plans or programs of the Company under which I have accrued benefits (other than under any Company separation or severance plan or programs), (ii) any claims that, by law, may not be waived, (iii) any right to indemnification under the governing documents of the Company or any indemnification agreement between me and the Company, or under any directors and officers insurance policy, with respect to my performance of duties as an officer or director of the Company, (iv) any claim or right I may have for unemployment insurance benefits, workers' compensation benefits, state disability and/or paid family leave insurance benefits pursuant to the terms of applicable state law and (v) any medical claim incurred during my employment that is payable under applicable medical plans or an employer-insured liability plan.

I understand that nothing in this Release or the Employment Agreement restricts or prohibits me from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. However, I acknowledge that to the maximum extent permitted by law, I am waiving my right to receive any individual monetary relief from the Company or any others covered by this Release resulting from such claims or conduct, regardless of whether I or another party has filed them, and in the event I obtain such monetary relief the Company will be entitled to an offset for the payments made pursuant to this Release and the Employment Agreement. I understand that this Release and the Employment Agreement do not limit my right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. I further understand that I do not need the prior authorization of the Company to engage in conduct protected by this Paragraph, and that I do not need to notify the Company that I have engaged in such conduct.

I have taken notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

I acknowledge that for purposes of my entitlement to the payments and benefits set forth in Section 5 of the Employment Agreement, this Release will not become effective unless and until I have signed and returned this Release to the Company, and have not revoked it pursuant to the following paragraph.

I further acknowledge that I have had at least 21 days from my receipt of this Release, to review and consider this Release, to consult with an attorney prior to executing this Release, and have been provided 7 days to revoke my execution of this Release by delivering a written notice of revocation to the Company.

I ACKNOWLEDGE THAT I HAVE READ THIS
RELEASE, AND I UNDERSTAND
AND VOLUNTARILY ACCEPT ITS TERMS.

______________________________	______________________________
Jeffrey Siegel	Date

AMENDMENT TO THE THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amendment, dated as of November 8, 2017, by and between LIFETIME BRANDS INC., a Delaware Corporation (the “Employer”) and RONALD SHIFTAN, (the “Executive”) amends the Third Amended and Restated Employment Agreement, dated as of November 24, 2015 (the “Employment Agreement”) between the Employer and the Executive. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Employment Agreement.

WHEREAS, the Employer and the Executive have agreed upon certain changes to the Employment Agreement; and

WHEREAS, pursuant to Section 7(g) of the Employment Agreement, the Employer and the Executive wish to amend the Employment Agreement to provide for these revised contractual terms;

NOW, THEREFORE, in consideration of Executive’s continued employment with the Employer and other good and sufficient consideration set forth herein, the Employer and the Executive hereby agree as follows:

1. Section 2 of the Employment Agreement shall be deleted in its entirety and replaced with the following:

   “Term of Employment. The term of the Executive’s employment under this Agreement (the “Term”) shall commence on the Effective Date and continue until December 31, 2018, unless his employment is sooner terminated pursuant to the provisions of Section 4 hereof; provided, however, that commencing on December 31, 2018 and on each anniversary of that date thereafter, the Term shall be extended for an additional one year period unless either party gives notice of the intention not to extend the Term (“Notice of Non-Renewal”) at least 180 days prior to December 31, 2018 or any such anniversary date in which case the Term shall terminate on December 31, 2018 or such anniversary date, as the case may be.”

2. Section 3(b) of the Employment Agreement shall be amended to add the following Section 3(b)(v):

   “(v) For purposes of this Agreement, the term “Target Bonus” shall mean the annual target bonus in effect for the year in which termination occurs (including, for the avoidance of doubt, the Annual Individual Goal Bonus payable if the Executive meets individual objectives); provided that, for purposes of payments made pursuant to Section 4(c) within two years following a Change in Control, Target Bonus shall mean the annual target bonus in effect for the year in which the Change in Control occurs (including, for the avoidance of doubt, the Annual Individual Goal Bonus payable if the Executive meets individual objectives).”

3. Section 4(b)(i) of the Employment Agreement shall be deleted in its entirety and replaced with the following:

"(i) If, prior to the expiration of the Term, the Executive's employment is terminated (w) by the Employer for any reason other than Cause, (x) by the Executive for Good Reason, (y) by the Employer or the Executive due to the Executive's Disability or (z) by reason of the Executive's death (such a resignation or termination being hereinafter referred to as an "Involuntary Termination"), the Executive shall be entitled to payment of the Accrued Obligations. In addition, in the event of the Executive's Involuntary Termination, the Employer shall, conditioned upon the Executive's execution and non-revocation of a release of all claims against the Employer in the form attached as Exhibit A ("Release"), pay to the Executive as severance (the "Severance Payments") the following amounts:

(x) 3.0 times the annual Salary in effect at the time of termination; provided that, if such payment is made pursuant to Section 4(c), then this Section 4(b)(i) shall be equal to 3.0 times the greater of annual Salary in effect at the time of termination or annual Salary in effect at the time of the Change in Control,

(y) 3.0 times the Target Bonus, and

(z) the Annual Adjusted IBIT Performance Bonus accrued to the date of Termination calculated in accordance with Section 3(b).

The Employer shall pay to the Executive (1) the amounts referred to in clauses (x) and (y) in cash, in a lump sum within 30 days of such termination and (2) the amount referred to in clause (z) within 10 days of the Employer filing with the Securities and Exchange Commission its Annual Report on Form 10-K for the year in which such termination occurs; provided, however if the date established by the Internal Revenue Service (the "IRS Payment Date") by which such payment must be made in order for the Employer to deduct the amount of the Adjusted IBIT Performance Bonus for such year is earlier, the Employer shall pay, (i) if the Employer can determine such amount by the IRS Payment Date, such amount prior to the IRS Payment date or (ii) if the Employer cannot determine such amount by the IRS Payment Date, 90% of the Employer's good faith estimate of such amount by the IRS Payment Date and the balance, if any, as soon thereafter as the Employer can determine such amount. If, however, 90% of the Employer's good faith estimate of such amount is more than the Adjusted IBIT Performance Bonus for such year, the Executive shall promptly return such excess to the Employer as soon as the Employer shall notify the Executive of the amount of such excess. In addition, in the event of the Executive's Involuntary Termination, all of the Executive's then-outstanding stock options shall be immediately vested and exercisable and all restrictions on the Executive's restricted shares shall immediately terminate, to the extent consistent with the terms and conditions of the Employer's Amended and Restated 2000 Long-Term Incentive Plan governing such stock options and restricted stock."

4. The first sentence of Section 4(c) shall be deleted and replaced with the following:

"(c) If, prior to the expiration of the Term, the Employer undergoes a "Change in Control" (as defined below), and (x) upon or within two (2) years following the Change in Control, the Executive's employment is terminated under circumstances that would constitute an Involuntary Termination or the Executive's employment terminates upon expiration of the Term following a Notice of Non-Renewal provided by the Employer, or (y) the Executive undergoes an Involuntary Termination or the Executive's employment terminates upon expiration of the Term following a Notice of Non-Renewal provided by the Employer and within 90 days of the Involuntary Termination or such expiration of the Term, the Employer executes a definitive agreement to enter into a transaction the consummation of which would result in a "Change in Control" and such transaction is actually consummated, all of the Executive's then-outstanding stock options shall be immediately vested and exercisable and all restrictions on the Executive's restricted shares shall immediately terminate, to the extent consistent with the terms and conditions of the Employer's Amended and Restated 2000 Long-Term Incentive Plan governing such stock options and restricted stock, and the Executive shall be entitled to payment of the Accrued Obligations and, conditioned upon his execution and non-revocation of the Release, the Severance Payments. For the avoidance of doubt, the payments and benefits provided under this Section 4(c) shall be in lieu of and not in addition to the payments and benefits provided under Section 4(b) or 4(f), as applicable. "

5. Section 4(f) of the Employment Agreement shall be deleted in its entirety and replaced with the following:

"If the Executive's employment is terminated by reason of the expiration of the Term, the Executive shall be entitled to payment of the Accrued Obligations. In addition, in such event, the Employer shall, conditioned upon the Executive's execution and non-revocation of the Release, pay to the Executive as severance (the "Term Expiration Severance Payment") that amount equal to:

(y) 1.0 times the annual Salary, plus

(z) the average of the sum of (A) the Annual Adjusted IBIT Performance Bonus and (B) the Annual Individual Goal Bonus paid by the Employer to the Executive, with respect to the year ending on the date on which the Executive's employment is terminated by reason of the expiration of the Term and each of the two immediately preceding years.

The Employer shall pay to the Executive such amount in cash, in a lump sum within ten days of the Employer filing with the Securities and Exchange Commission its Annual Report on Form 10-K for the year in which such termination occurs; provided, however if the date established by the Internal Revenue Service (the "IRS Payment Date") by which such payment must be made in order for the Employer to deduct the amount of the Adjusted IBIT Performance Bonus for such year is earlier, the Employer shall pay, (i) if the Employer can determine such amount by the IRS Payment Date, such amount prior to the IRS Payment date or (ii) if the Employer cannot determine such amount by the IRS Payment Date, 90% of the Employer's good faith estimate of such amount by the IRS Payment Date and the balance, if any, as soon thereafter as the Employer can determine

such amount. If, however, 90% of the Employer's good faith estimate of such amount is more than the Adjusted IBIT Performance Bonus for such year, the Executive shall promptly return such excess to the Employer as soon as the Employer shall notify the Executive of the amount of such excess. In addition, in such event, all of the Executive's then outstanding stock options shall be immediately vested and exercisable and all restrictions on the Executive's restricted shares shall immediately terminate, to the extent consistent with the terms and conditions of the Employer's Amended and Restated 2000 Long-Term Incentive Plan governing such stock options and restricted stock."

6. A new Section 4(i) shall be added to the Employment Agreement which shall state:

"Upon the Executive's termination of employment for any reason other than death, the Executive shall have the right to assume the life insurance policy in the Executive's name obtained and owned by the Employer (Policy number) to the extent such assumption is permitted by such policy and the insurer; provided that, the preceding clause shall not obligate the Employer to continue to maintain the policy referenced herein or any other life insurance policy in the Executive's name; provided further that, in the event that the Employer elects to cease maintaining the policy referenced herein prior to the Executive's termination of employment, the Executive shall have the right to assume such policy. For the avoidance of doubt, in the event of any assumption of such policy by the Executive pursuant to this Section 4(i), the Employer shall have no further liability with respect to such life insurance policy."

7. Section 5 of the Employment Agreement shall be amended to add the following Section 5(e):

"(e) Nothing in this Agreement shall prohibit or restrict the Executive from lawfully (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental or regulatory agency, entity, or official(s) (collectively, "Governmental Authorities") regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to the Executive individually (and not directed to the Employer and/or its subsidiaries) from any such Governmental Authorities; (ii) testifying, participating or otherwise assisting in an action or proceeding by any such Governmental Authorities relating to a possible violation of law; or (D) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (I) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (II) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made to the Executive's attorney in relation to a lawsuit for retaliation against the Executive for reporting a suspected violation of law; or (C) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nor does this Agreement require the Executive to obtain prior authorization from the Employer before engaging in any conduct described in this paragraph, or to notify the Employer that the Executive has engaged in any such conduct."

8. A new Section 6(e) shall be added to the Employment Agreement which shall state:

   "The Amended and Restated Indemnification Agreement between the Employer and the Executive, dated January 26, 2016, shall remain in full force and effect in accordance with its terms."

9. Section 7(i) of the Employment Agreement shall be deleted in its entirety and replaced with the following:

   "(i) Governing Law; Disputes. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (determined without regard to the choice of law provisions thereof), and the parties consent to jurisdiction in the United States District Court for the Southern District of New York. If the Executive prevails in any legal or arbitration proceeding commenced in connection with this Agreement, then the Employer shall reimburse the Executive for reasonable attorneys' fees and costs incurred in connection therewith."

10. Exhibit A attached hereto shall be attached to the Employment Agreement as Exhibit A.

11. The Employment Agreement, as amended by this Amendment, constitutes the entire and exclusive agreement between the parties with respect to the subject matter hereof. All previous discussions and agreements with respect to the subject matter of this Amendment are superseded by this Amendment.

12. Except as expressly amended hereby, all of the terms, conditions, and provisions of the Employment Agreement, as amended, shall remain in full force and effect. This Amendment shall form a part of the Employment Agreement for all purposes.

13. This Amendment may be executed in counterparts and by facsimile or other electronic means, including by portable document format (PDF), each of which shall be deemed to have the same legal effect as an original and together shall constitute one and the same instrument.

14. The Employer represents and warrants that it has the full power and authority to enter into this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first written above.

LIFETIME BRANDS, INC.

By: /s/ Jeffrey Siegel
Name: Jeffrey Siegel
Title: Chairman and CEO

/s/ Ronald Shiftan
Ronald Shiftan

Exhibit A

Release

I, Ronald Shiftan, the undersigned, agree to accept the payments and benefits set forth on Section 4 of the employment agreement between me and Lifetime Brands, Inc. (the "Company") dated as of [MONTH]   , 2017 (the "Employment Agreement") in full resolution and satisfaction of, and hereby IRREVOCABLY AND UNCONDITIONALLY RELEASE, REMISE AND FOREVER DISCHARGE the Company and Releasees from any and all agreements, promises, liabilities, claims, demands, rights and entitlements of any kind whatsoever, in law or equity, whether known or unknown, asserted or unasserted, fixed or contingent, apparent or concealed, to the maximum extent permitted by law ("Claims"), which I, my heirs, executors, administrators, successors or assigns ever had, now have or hereafter can, shall or may have for, upon, or by reason of any matter, cause or thing whatsoever existing, arising, occurring or relating to my employment and/or termination thereof with the Company and Releasees, or my economic rights as an equity holder of the Company or Releasees, at any time on or prior to the date I execute this Release, including, without limitation, any and all Claims arising out of or relating to compensation, benefits, any and all contract claims, tort claims, fraud claims, claims for bonuses, commissions, sales credits, etc., defamation, disparagement, or other personal injury claims, claims for accrued vacation pay, claims under any federal, state or municipal wage payment, harassment, retaliation, discrimination or fair employment practices law, statute or regulation, and claims for costs, expenses and attorneys' fees with respect thereto. This release and waiver includes, without limitation, any and all rights and claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866, 1871 and 1991, Section 1981 of U.S.C,, the Employee Retirement Income Security Act, the Age Discrimination in Employment Act (including but not limited to the Older Workers Benefit Protection Act), the Americans with Disabilities Act, the Genetic Information Non-discrimination Act, the Family and Medical Leave Act, the Equal Pay Act, New York State Human Rights Law, New York Equal Pay Law, New York Equal Rights Law, New York Off-duty Conduct Lawful Activities Discrimination Law, New York State Labor Relations Act, Article 23-A of the New York State Corrections Law, New York Whistleblower Statute, New York Family Leave Law, New York Minimum Wage Act, New York Wage and Hour Law, New York Wage Hour and Wage Payment Law, New York WARN Act, and retaliation provisions of New York Workers' Compensation Law, and all amendments to the foregoing, and any other federal, state or local statute, ordinance, regulation or constitutional provision regarding employment, compensation, employee benefits, termination of employment or discrimination in employment.

Except as permitted by Section 5(e) of the Employment Agreement and explained below, I represent and affirm (i) that I have not filed any Claim against the Company or Releasees and (ii) that to the best of my knowledge and belief, there are no outstanding Claims.

For the purpose of implementing a full and complete release and discharge of Claims, I expressly acknowledge that this Release is intended to include in its effect, without limitation, all the Claims described in the preceding paragraphs, whether known or unknown, apparent or concealed, and that this Release contemplates the extinction of all such Claims, including Claims for attorney's fees. I expressly waive any right to assert after the execution of this Release that any such Claim has, through ignorance or oversight, been omitted from the scope of the Release.

For purposes of this Release, the term "the Company and Releasees" includes the Company and its past, present and future direct and indirect parents, subsidiaries, affiliates, divisions, predecessors, successors, and assigns, and their past, present and future officers, directors, shareholders, representatives, agents, attorneys and employees, in their official and individual capacities, and all other related individuals and entities, jointly and individually, and this Release shall inure to the benefit of and shall be binding and enforceable by all such entities and individuals.

Notwithstanding anything in this Release to the contrary, I do not waive (i) my existing right to receive vested accrued benefits under plans or programs of the Company under which I have accrued benefits (other than under any Company separation or severance plan or programs), (ii) any claims that, by law, may not be waived, (iii) any right to indemnification under the governing documents of the Company or any indemnification agreement between me and the Company, or under any directors and officers insurance policy, with respect to my performance of duties as an officer or director of the Company, (iv) any claim or right I may have for unemployment insurance benefits, workers' compensation benefits, state disability and/or paid family leave insurance benefits pursuant to the terms of applicable state law and (v) any medical claim incurred during my employment that is payable under applicable medical plans or an employer-insured liability plan.

I understand that nothing in this Release or the Employment Agreement restricts or prohibits me from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. However, I acknowledge that to the maximum extent permitted by law, I am waiving my right to receive any individual monetary relief from the Company or any others covered by this Release resulting from such claims or conduct, regardless of whether I or another party has filed them, and in the event I obtain such monetary relief the Company will be entitled to an offset for the payments made pursuant to this Release and the Employment Agreement. I understand that this Release and the Employment Agreement do not limit my right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. I further understand that I do not need the prior authorization of the Company to engage in conduct protected by this Paragraph, and that I do not need to notify the Company that I have engaged in such conduct.

I have taken notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

I acknowledge that for purposes of my entitlement to the payments and benefits set forth in Section 4 of the Employment Agreement, this Release will not become effective unless and until I have signed and returned this Release to the Company, and have not revoked it pursuant to the following paragraph.

I further acknowledge that I have had at least 21 days from my receipt of this Release, to review and consider this Release, to consult with an attorney prior to executing this Release, and have been provided 7 days to revoke my execution of this Release by delivering a written notice of revocation to the Company.

I ACKNOWLEDGE THAT I HAVE READ THIS
RELEASE, AND I UNDERSTAND
AND VOLUNTARILY ACCEPT ITS TERMS.

_______________________	_______________________
Ronald Shiftan	Date

Exhibit 10.3

AMENDMENT TO THE AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amendment, dated as of November 8, 2017, by and between LIFETIME BRANDS INC., a Delaware Corporation (the "Company") and LAURENCE WINOKER, (the "Executive") amends the Employment Agreement, dated as of September 10, 2015 (the "Employment Agreement") between the Company and the Executive. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Employment Agreement.

WHEREAS, the Company and the Executive have agreed upon certain changes to the Employment Agreement; and

WHEREAS, pursuant to Section 14(a) of the Employment Agreement, the Company and the Executive wish to amend the Employment Agreement to provide for these revised contractual terms;

NOW, THEREFORE, in consideration of Executive's continued employment with the Company and other good and sufficient consideration set forth herein, the Company and the Executive hereby agree as follows:

1. Section 1(c) of the Employment Agreement shall be deleted in its entirety and replaced with the following:

   "(c) Employment Term. The Executive's term of employment under this Agreement shall commence on the Effective Date, and shall continue until July 1, 2016, ("Initial Term") and shall automatically renew for consecutive one (1) year terms ("Renewal Term") unless the Company gives written notice ("Notice of Non-Renewal") to the Executive at least ninety (90) days prior to the end of the Initial Term or any Renewal Term (when used together, the "Employment Term") that it does not wish to renew this Agreement, or unless sooner terminated as provided in Section 5 hereof."

2. Section 3(b) of the Employment Agreement shall be amended to add the following Section 3(b)(iii):

   "(iii) For purposes of this Agreement, the term "Target Bonus" shall mean 62.5% of the Executive's annual Base Salary in effect at the time of termination; provided that, for purposes of Section 6(d)(iii), Target Bonus shall mean 62.5% of the greater of (A) the Executive's annual Base Salary in effect at the time of termination or (B) the Executive's annual Base Salary in effect at the date of the Change of Control."

3. The first sentence of Section 3(d) of the Employment Agreement shall be amended to add the following to the end of such sentence:

   "provided, however, that any of the foregoing is not inconsistent with the terms and conditions of the Company's Amended and Restated 2000 Long-Term Incentive Plan"

4. The first sentence of Section 5(g) shall be deleted in its entirety and shall be replaced with:

"In the event that the Company undergoes a Change of Control (as defined below) and one of the following occurs: (i) the Executive is terminated by the Company without Cause, the Executive voluntarily terminates his employment for Good Reason, or the Executive's employment terminates upon expiration of the Initial Term or any Renewal Term following a Notice of Non-Renewal, in each case upon or within two (2) years following the Change of Control; or (ii) the Executive is terminated by the Company without Cause, the Executive voluntarily terminates his employment for Good Reason, or the Executive's employment terminates upon expiration of the Initial Term or any Renewal Term following a Notice of Non-Renewal, and in each case within ninety (90) days of the termination, the Company executes a definitive agreement to enter into a transaction the consummation of which would result in a Change of Control and such transaction is actually consummated, then this Agreement shall terminate and the Executive shall be entitled to the payments and other benefits as set forth in Section 6(d)."

5. Section 6(c)(A)(4) of the Employment Agreement shall be deleted in its entirety and replaced with the following:

"(4) two (2) times the Target Bonus payable in a lump sum within sixty (60) days following the Executive's termination of employment; and"

6. Sections 6(c)(B)(4) of the Employment Agreement shall be deleted in its entirety and replaced with the following:

"(4) two (2) times the Target Bonus payable in a lump sum within sixty (60) days following the Executive's termination of employment; and"

7. Section 6(d) of the Employment Agreement shall be deleted in its entirety and replaced with the following:

(d) Termination by Executive or Company due to Change of Control.

(A) In the event that the Employment Term is terminated pursuant to Section 5(g)(i) then, subject to Section 6(g), the Executive shall be entitled to receive: (i) a cash payment equal to 200% of the Executive's annual Base Salary in effect at the effective date of the Change of Control, or if greater, 200% of the Executive's annual Base Salary in effect at the effective date of termination payable within 60 days of termination; (ii) the Pro-Rated Performance Bonus for the fiscal year in which the effective date of the termination occurs, payable at the same time as the Performance Bonus for such fiscal year would otherwise have been paid; (iii) two (2) times the Target Bonus payable within sixty (60) days of termination; (iv) the benefits set forth in Section 4 for a period of twelve (12) months; and (v) to the extent permitted by the applicable equity plan of the Company, all of the Executive's then-outstanding stock options shall vest and become immediately exercisable and all restrictions on shares of restricted stock granted by the Company to the Executive on which any restrictions shall not have terminated shall immediately terminate. For the avoidance of doubt, in the event of a Change of Control and a

termination of employment described in this Section 6(d)(A), the Executive shall only be entitled to termination payments and benefits as provided under this Section 6(d)(A) and shall not be entitled to any other termination or benefit payments under any other section of this Agreement.

(B) In the event that the Employment Term terminates pursuant to Section 5(g)(ii), then, subject to Section 6(g), the Executive shall be entitled to receive termination payments and benefits as provided under Section 6(d)(A), less the amounts already paid under Section 6(c), and no further amounts shall be payable under Section 6(c). For the avoidance of doubt, in the event of a Change of Control and termination described in this Section 6(d)(B), the Executive shall only be entitled to termination payments and benefits as provided under this Section 6(d)(B) and shall not be entitled to any other termination payments or benefits under any other section of this Agreement.

(C) The Company shall make the payments and provide the benefits to be paid and provided under this Agreement; provided, however, if all or any portion of the payments and benefits provided under this Agreement, either alone or together with other payments and benefits which the Executive receives or is then entitled to receive from the Company or otherwise, would constitute a “parachute payment” within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”) (or a similar or successor provision), the Company shall reduce such payments hereunder and such other payments to the extent necessary so that (i) no portion thereof shall be subject to the excise tax imposed by Section 4999 of the Code (or a similar or successor provision); and, (ii) by reason of such reduction, the net after-tax benefit to the Executive shall exceed the net after-tax benefit if such reduction were not made. The determination of whether the payments shall be reduced as provided in this Section 6(d) and the amount of such reduction shall be made at the Company’s expense by a public accounting firm retained by the Company at the time the calculation is to be performed, the selection of which is agreed to by the Executive, such agreement not to be unreasonably withheld (the “Accounting Firm”). The Accounting Firm shall provide its determination, together with detailed supporting calculations and documentation to the Company and the Executive within twenty (20) business days of the payment of the initial installment of the Change in Control payment to the Executive, or within such time as is administratively practical. The Executive may review these calculations for a period of twenty (20) days and may retain another accounting firm (at his own expense) for such review and submit objections during such twenty (20)-day review period.

8. Section 6(g) of the Employment Agreement shall be deleted in its entirety and replaced with the following:

“(g) Release. Notwithstanding anything in this Section 6 to the contrary, in no event shall the Executive be entitled to receive any amounts, rights or benefits under this Section 6 unless the Executive executes and does not revoke a release of claims against the Company in the form attached as Exhibit A (“Release”) within such time period as the Company shall provide but no later than fifty (50) days following the termination date. As soon as practicable following the date the Release becomes effective,

enforceable and irrevocable but no later than sixty (60) days following the termination date, the Executive shall receive a single lump sum cash payment equal to the amount of all payments that would have been payable pursuant to the applicable provisions of this Section 6 prior to such payment date but for this Section (g); provided that, if the sixty (60) day period following Executive's termination of employment spans two calendar years, payment shall be made in the second calendar year."

9. Section 7 of the Employment Agreement shall be amended to add the following Section 7(d):

"(d) Nothing in this Agreement shall prohibit or restrict the Executive from lawfully (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental or regulatory agency, entity, or official(s) (collectively, "Governmental Authorities") regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to the Executive individually (and not directed to the Employer and/or its subsidiaries) from any such Governmental Authorities; (ii) testifying, participating or otherwise assisting in an action or proceeding by any such Governmental Authorities relating to a possible violation of law; or (D) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (I) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (II) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made to the Executive's attorney in relation to a lawsuit for retaliation against the Executive for reporting a suspected violation of law; or (C) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nor does this Agreement require the Executive to obtain prior authorization from the Employer before engaging in any conduct described in this paragraph, or to notify the Employer that the Executive has engaged in any such conduct."

10. A new Section 14(g) shall be added to the Employment Agreement which states:

"The Amended and Restated Indemnification Agreement between the Company and the Executive dated January 26, 2016 shall remain in full force and effect in accordance with its terms."

11. Exhibit A attached hereto shall be attached to the Employment Agreement as Exhibit A.

12. The Employment Agreement, as amended by this Amendment, constitutes the entire and exclusive agreement between the parties with respect to the subject matter hereof. All previous discussions and agreements with respect to the subject matter of this Amendment are superseded by this Amendment.

13. Except as expressly amended hereby, all the terms, conditions, and provisions of the Employment Agreement, as amended, shall remain in full force and effect. This Amendment shall form a part of the Employment Agreement for all purposes.

14. This Amendment may be executed in counterparts and by facsimile or other electronic means, including by portable document format (PDF), each of which shall be deemed to have the same legal effect as an original and together shall constitute one and the same instrument.

15. The Company represents and warrants that it has the full power and authority to enter into this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first written above.

LIFETIME BRANDS, INC.

By: /s/ Ronald Shiftan
Name: Ronald Shiftan
Title: Vice Chairman and COO

/s/ Laurence Winoker
Laurence Winoker

Exhibit A

Release

I, Laurence Winoker, the undersigned, agree to accept the payments and benefits set forth in Section 6 of the employment agreement between me and Lifetime Brands, Inc. (the "Company") dated as of [MONTH]   , 2017 (the "Employment Agreement") in full resolution and satisfaction of, and hereby IRREVOCABLY AND UNCONDITIONALLY RELEASE, REMISE AND FOREVER DISCHARGE the Company and Releasees from any and all agreements, promises, liabilities, claims, demands, rights and entitlements of any kind whatsoever, in law or equity, whether known or unknown, asserted or unasserted, fixed or contingent, apparent or concealed, to the maximum extent permitted by law ("Claims"), which I, my heirs, executors, administrators, successors or assigns ever had, now have or hereafter can, shall or may have for, upon, or by reason of any matter, cause or thing whatsoever existing, arising, occurring or relating to my employment and/or termination thereof with the Company and Releasees, or my economic rights as an equity holder of the Company or Releasees, at any time on or prior to the date I execute this Release, including, without limitation, any and all Claims arising out of or relating to compensation, benefits, any and all contract claims, tort claims, fraud claims, claims for bonuses, commissions, sales credits, etc., defamation, disparagement, or other personal injury claims, claims for accrued vacation pay, claims under any federal, state or municipal wage payment, harassment, retaliation, discrimination or fair employment practices law, statute or regulation, and claims for costs, expenses and attorneys' fees with respect thereto. This release and waiver includes, without limitation, any and all rights and claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866, 1871 and 1991, Section 1981 of U.S.C,, the Employee Retirement Income Security Act, the Age Discrimination in Employment Act (including but not limited to the Older Workers Benefit Protection Act), the Americans with Disabilities Act, the Genetic Information Non-discrimination Act, the Family and Medical Leave Act, the Equal Pay Act, New York State Human Rights Law, New York Equal Pay Law, New York Equal Rights Law, New York Off-duty Conduct Lawful Activities Discrimination Law, New York State Labor Relations Act, Article 23-A of the New York State Corrections Law, New York Whistleblower Statute, New York Family Leave Law, New York Minimum Wage Act, New York Wage and Hour Law, New York Wage Hour and Wage Payment Law, New York WARN Act, and retaliation provisions of New York Workers' Compensation Law, and all amendments to the foregoing, and any other federal, state or local statute, ordinance, regulation or constitutional provision regarding employment, compensation, employee benefits, termination of employment or discrimination in employment.

Except as permitted by Section 7(d) of the Employment Agreement and explained below, I represent and affirm (i) that I have not filed any Claim against the Company or Releasees and (ii) that to the best of my knowledge and belief, there are no outstanding Claims.

For the purpose of implementing a full and complete release and discharge of Claims, I expressly acknowledge that this Release is intended to include in its effect, without limitation, all the Claims described in the preceding paragraphs, whether known or unknown, apparent or concealed, and that this Release contemplates the extinction of all such Claims, including Claims for attorney's fees. I expressly waive any right to assert after the execution of this Release that any such Claim has, through ignorance or oversight, been omitted from the scope of the Release.

For purposes of this Release, the term "the Company and Releasees" includes the Company and its past, present and future direct and indirect parents, subsidiaries, affiliates, divisions, predecessors, successors, and assigns, and their past, present and future officers, directors, shareholders, representatives, agents, attorneys and employees, in their official and individual capacities, and all other related individuals and entities, jointly and individually, and this Release shall inure to the benefit of and shall be binding and enforceable by all such entities and individuals.

Notwithstanding anything in this Release to the contrary, I do not waive (i) my existing right to receive vested accrued benefits under plans or programs of the Company under which I have accrued benefits (other than under any Company separation or severance plan or programs), (ii) any claims that, by law, may not be waived, (iii) any right to indemnification under the governing documents of the Company or any indemnification agreement between me and the Company, or under any directors and officers insurance policy, with respect to my performance of duties as an officer or director of the Company, (iv) any claim or right I may have for unemployment insurance benefits, workers' compensation benefits, state disability and/or paid family leave insurance benefits pursuant to the terms of applicable state law, and (v) any medical claim incurred during my employment that is payable under applicable medical plans or an employer-insured liability plan.

I understand that nothing in this Release or the Employment Agreement restricts or prohibits me from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. However, I acknowledge that to the maximum extent permitted by law, I am waiving my right to receive any individual monetary relief from the Company or any others covered by this Release resulting from such claims or conduct, regardless of whether I or another party has filed them, and in the event I obtain such monetary relief the Company will be entitled to an offset for the payments made pursuant to this Release and the Employment Agreement. I understand that this Release and the Employment Agreement do not limit my right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. I further understand that I do not need the prior authorization of the Company to engage in conduct protected by this Paragraph, and that I do not need to notify the Company that I have engaged in such conduct.

I have taken notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

I acknowledge that for purposes of my entitlement to the payments and benefits set forth in Section 6 of the Employment Agreement, this Release will not become effective unless and until I have signed and returned this Release to the Company, and have not revoked it pursuant to the following paragraph.

I further acknowledge that I have had at least 21 days from my receipt of this Release, to review and consider this Release, to consult with an attorney prior to executing this Release, and have been provided 7 days to revoke my execution of this Release by delivering a written notice of revocation to the Company.

I ACKNOWLEDGE THAT I HAVE READ THIS
RELEASE, AND I UNDERSTAND
AND VOLUNTARILY ACCEPT ITS TERMS.

____________________	____________________
Laurence Winoker	Date

Exhibit 10.4

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into by and between LIFETIME BRANDS, INC. (the "Company") and DANIEL SIEGEL (the "Executive") as of November 8, 2017.

WHEREAS, the Company and the Executive previously entered into that certain employment agreement dated November 28, 2014 (the "Prior Agreement");

WHEREAS, the Prior Agreement shall have expired by its terms on December 31, 2017 and is hereby superseded by this Agreement effective as of the Effective Date (as defined in Section 1(a) below), such that from and after the Effective Date, the rights and obligations of the parties shall be provided solely in this Agreement, and the Prior Agreement shall be of no further force and effect; and

WHEREAS, the Company desires to continue to employ the Executive as its President and the Executive desires to continue to serve in such capacity on behalf of the Company.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the Company and the Executive hereby agree as follows:

1. Employment.

(a) Term. The Executive's term of employment under this Agreement shall begin on January 1, 2018 (the "Effective Date"), and shall continue until December 31, 2020, and shall automatically renew for consecutive one year periods, unless (i) either party gives the other party written notice ("Notice of Non-Renewal") at least 90 days prior to the end of the initial term or any one-year renewal period that the term of the Agreement shall not be further extended or (ii) sooner terminated by either party as set forth below. The Executive's period of employment under this Agreement is referred to herein as the "Term."

(b) Duties. During the Term, the Executive shall serve as the President of the Company with duties, responsibilities and authority commensurate therewith and shall report to the Chief Executive Officer (the "CEO") of the Company. The Executive shall perform all duties and accept all responsibilities incident to such position as may be reasonably assigned to the Executive by the CEO. The Executive represents to the Company that the Executive is not subject to or a party to any employment agreement, non-competition covenant, or other agreement that would be breached by, or prohibit the Executive from executing, this Agreement and performing fully the Executive's duties and responsibilities hereunder.

(c) No Other Employment. During the Term, the Executive shall not, directly or indirectly, render services to any other person or organization for which he receives compensation; provided, however, that upon the receipt of the Company's prior written approval, which approval shall not unreasonably be withheld, the Executive may accept election to the board of directors of not more than one other company provided that such activities do not otherwise conflict with his duties and obligations to the Company. No such approval will be required if the Executive wishes to perform services without direct compensation therefor in connection with the management of personal investments or in connection with the performance of charitable and civic activities, provided that such activities do not contravene the purposes of this Agreement.

(d) Principal Place of Employment. The Executive's principal office location shall be at the Company's office in Garden City, New York; provided, however, that the Executive recognizes that frequent travel, both within and outside the United States, shall be required in connection with his responsibilities under this Agreement.

2. Compensation.

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary ("Base Salary") at the annual rate of (i) $512,500 for the period commencing on the Effective Date and ending June 30, 2019 and (ii) $550,000 for the period commencing July 1, 2019 and thereafter. Base Salary shall be paid in installments in accordance with the Company's normal payroll practices.

(b) Annual Bonuses. For each year during the Term commencing with the year ending December 31, 2018, the Executive shall receive an "Annual Adjusted IBIT Performance Bonus" and an "Annual Individual Goal Bonus" determined as follows:

(i) Annual Adjusted IBIT Performance Bonus. The CEO shall prepare and deliver to the Executive within 90 days following the beginning of each year during the Term commencing with the year ending December 31, 2018 an Adjusted IBIT Performance Bonus Table (the "Adjusted IBIT Performance Bonus Table") for such year under which (A) the Adjusted IBIT (as defined in Section 9(a)) to be achieved by the Company for the Executive to obtain 100% of the Adjusted IBIT Target Bonus shall be based on the annual budget for such year prepared by the management of the Company and approved by the Board of Directors of the Company (the "Board") and (B) the "Adjusted IBIT Target Bonus" shall be 75% of the Base Salary payable to the Executive for such year. The threshold Adjusted IBIT for such year shall be 50% of the target Adjusted IBIT for such year which, if achieved, would entitle the Executive to receive 50% of the Adjusted IBIT Target Bonus for such year consistent with the Adjusted IBIT Performance Bonus Table for such year. The maximum Adjusted IBIT for such year shall be 150% of the target Adjusted IBIT for such year which, if achieved, would entitle the Executive to receive 150% of the Adjusted IBIT Target Bonus for such year, consistent with the Adjusted IBIT Performance Bonus Table for such year. The Executive shall be entitled to receive the sliding scale percentages of the Adjusted IBIT Target Bonus set forth in the Adjusted IBIT Performance Bonus Table based upon Adjusted IBIT being more than the threshold Adjusted IBIT but less than the target Adjusted IBIT, or more than the target Adjusted IBIT but less than the maximum Adjusted IBIT; provided, however, that notwithstanding anything to the contrary contained in this Agreement, the Annual Adjusted IBIT Performance Bonus for any such year shall be zero if the Adjusted IBIT achieved by the Company for such year is less than the threshold Adjusted IBIT for such year, and in no event shall an Annual Adjusted IBIT Performance Bonus for any such year be more than 150% of the Adjusted IBIT Target Bonus for such year even if the Adjusted IBIT achieved by the Company for such year exceeds the maximum Adjusted IBIT for such year. The Company shall pay the

Annual Adjusted IBIT Performance Bonus earned by the Executive for each year in the immediately following year, no later than March 15. Any bonuses payable by the Company to the Executive pursuant to this Section 2(b)(i) shall be awarded under and subject to the terms of the Company's 2000 Incentive Bonus Compensation Plan, as amended from time to time (the "Bonus Plan"), subject to any approval of shareholders of the Company, if required by Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

(ii) Annual Individual Goal Bonuses. For each year during this Agreement commencing with the year ending December 31, 2018, the Executive shall be eligible to receive an Annual Individual Goal Bonus equal to 37.5% of his Base Salary for such year ("Individual Goal Target Bonus") based on meeting individual measurable objectives set by the CEO in consultation with the Executive, as determined by the CEO in his sole discretion; provided, however, that if, in the sole discretion of the CEO, (A) the Executive meets at least 50% of such objectives, he shall be entitled to an Annual Individual Goal Bonus equal to not less than 50% of the Individual Goal Target Bonus and (B) the Executive meets less than 50% of such objectives, he shall not be entitled to receive any Annual Individual Goal Bonus for such year. The Annual Individual Goal Bonus will be paid at the same time as the Annual Adjusted IBIT Performance Bonus.

(c) Automobile Allowance. During the Term, the Company shall pay the Executive an automobile allowance in the amount of $1,500 per month. This automobile allowance is intended to cover all expenses associated with the Executive's use of an automobile for Company business, so that no other expenses relating to such automobile use will be reimbursed, except gas and tolls incurred in using such automobile for Company business.

3. Benefit and Compensation Plans. During the Term, the Executive shall be eligible to participate in the Company's health, dental and other welfare benefit plans and programs, as well as any pension, profit-sharing, stock award, stock option or similar plan, in each case as may be available to senior executives of the Company from time to time, pursuant to their respective terms and conditions. Nothing in this Agreement shall preclude the Company or any affiliate of the Company from terminating or amending any employee benefit plan or program from time to time after the Effective Date.

4. Vacation. During each year of the Term, the Executive shall be entitled to 30 days of paid vacation and holiday and sick leave at levels commensurate with those provided to other senior executives of the Company, in accordance with the Company's vacation, holiday and other pay for time not worked policies.

5. Expenses. Upon submission of proper documentation, which shall be subject to review by the CEO, the Company will pay or reimburse the Executive for all travel expenses incurred by the Executive on business trips taken with the approval of the CEO outside the metropolitan New York area and for all other business and entertainment expenses reasonably incurred by him in connection with all pre-approved activities relating to the business of the Company and its subsidiaries during the Term, all in accordance with Company policies then in effect.

6. Termination. Upon termination of the Executive's employment pursuant to this Section 6, however caused, the Executive shall be entitled to no other payments, compensation, severance or benefits except as expressly stated in this Section 6.

(a) Termination by the Company without Cause; Termination by Executive for Good Reason. The Company may terminate the Executive's employment without Cause at any time upon written notice, or the Executive may terminate his employment with the Company for Good Reason. If the Executive's employment is terminated by the Company without Cause or the Executive terminates his employment with the Company for Good Reason and Section 6(c)(i) does not apply, then subject to Section 6(i), the Executive shall be entitled to receive the following:

(i) an amount equal to two times the Executive's annual Base Salary as in effect on the termination date, payable in installments over the 24 month period following the termination date in accordance with the Company's normal payroll practices (but no less frequently than monthly);

(ii) the Pro-Rated Performance Bonus (as defined in Section 9(e)) for the fiscal year in which the effective date of the termination occurs, payable at the same time as the Annual Adjusted IBIT Performance Bonus for such fiscal year would otherwise have been paid;

(iii) an amount equal to two times the Target Bonus (as defined in Section 9(g)), payable within 60 days following the termination date;

(iv) if the Executive timely and properly elects COBRA continuation coverage for medical and dental benefits and remains eligible for such coverage during the 12-month period following the Executive's termination date, then during such 12-month period, such coverage shall be provided to the Executive at the then-applicable active employee rates; provided that, the portion of COBRA premiums paid by the Company shall be reported as income to the Executive, to the extent consistent with applicable law; and

(v) accelerated vesting of all of the Executive's then outstanding stock options and the lapse of all restrictions on shares of restricted stock granted by the Company to the Executive, subject to the terms of the Company's 2000 Long-Term Incentive Plan or any successor plan (the "Equity Plan") and any applicable grant agreement;

(b) Termination Due to Expiration or Non-Renewal of the Term. In the event that the Executive's employment terminates upon expiration of the Term following the Company's delivery of a Notice of Non-Renewal and Section 6(c)(i) does not apply, then subject to Section 6(i), the Executive shall be entitled to receive the following:

(i) an amount equal to the Executive's annual Base Salary as in effect upon the expiration of the Term, payable in installments over the 12 month period following the termination date in accordance with the Company's normal payroll practices (but no less frequently than monthly);

(ii) the Annual Adjusted IBIT Performance Bonus for the fiscal year in which the effective date of the termination occurs, payable at the same time as the Annual Adjusted IBIT Performance Bonus for such fiscal year would otherwise have been paid;

(iii) if the Executive timely and properly elects COBRA continuation coverage for medical and dental benefits and remains eligible for such coverage during the 12-month period following the Executive's termination date, then during such 12-month period, such coverage shall be provided to the Executive at the then-applicable active employee rates; provided that, the portion of COBRA premiums paid by the Company shall be reported as income to the Executive, to the extent consistent with applicable law; and

(iv) accelerated vesting of all of the Executive's then outstanding stock options and the lapse of all restrictions on shares of restricted stock granted by the Company to the Executive, subject to the terms of the Equity Plan and any applicable grant agreement.

(c) Termination in connection with a Change of Control.

(i) In the event that the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or upon expiration of the Term following the delivery of a Notice of Non-Renewal by the Company, in each case upon or within two years following a Change of Control (as defined in Section 9(c)), then subject to Section 6(i), the Executive shall be entitled to receive the following:

(A) a cash payment equal to two times the Executive's annual Base Salary as in effect on the effective date of the Change of Control, or if greater, two times the Executive's annual Base Salary in effect on the date of termination, payable in a lump sum within 60 days following the employment termination date;

(B) the Pro-Rated Performance Bonus for the fiscal year in which the effective date of the termination occurs, payable at the same time as the Annual Adjusted IBIT Performance Bonus for such fiscal year would otherwise have been paid;

(C) two times the Target Bonus, payable within 60 days following the termination date;

(D) if the Executive timely and properly elects COBRA continuation coverage for medical and dental benefits and remains eligible for such coverage during the 12-month period following the Executive's termination date, then during such 12-month period, such coverage shall be provided to the Executive at the then-applicable active employee rates; provided that, the portion of COBRA premiums paid by the Company shall be reported as income to the Executive, to the extent consistent with applicable law; and; and

(E) accelerated vesting of all of the Executive's then outstanding stock options and the lapse of all restrictions on shares of restricted stock granted by the Company to the Executive, subject to the terms of the Equity Plan and any applicable grant agreement.

For the avoidance of doubt, in the event that the Executive's employment is terminated in accordance with this Section 6(c)(i), the Executive shall only be entitled to termination payments and benefits as provided under this Section 6(c)(i) and shall not be entitled to any other termination payments or benefits under any other section of this Agreement (other than any payments or benefits to which the Executive may be entitled under Section 6(h)).

(ii) In the event that the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or upon expiration of the Term following delivery of a Notice of Non-Renewal by the Company, and in each case, within 90 days following such termination a Change of Control occurs, then within 60 days following the Change of Control, the Executive shall be entitled to receive (A) a lump sum cash payment equal to the excess of the amount set forth in Section 6(c)(i)(A) less the amount previously paid to the Executive pursuant to Section 6(a)(i) or Section 6(b)(i), as applicable, and (B) in the event that termination is on account of the Company's delivery of a Notice of Non-Renewal, the Executive shall be entitled to receive the amount set forth in Section 6(c)(i)(C) within 60 days following the Change of Control.

(iii) Notwithstanding the foregoing, if and to the extent required by Section 409A of the Code, if a Change of Control does not constitute a "change in control event" as defined by Section 409A of the Code or the lump sum payment in Section 6(c)(i)(A) or Section 6(c)(ii)(A) would otherwise cause the Executive to incur penalties under Section 409A of the Code, such payment shall not be paid in a lump sum but shall be paid (or, in the case of Section 6(c)(ii)(A), continue to be paid) in equal installments in accordance with the payroll practices over the two year period following Executive's termination date.

(d) Termination by Company for Cause. The Company may terminate the Executive's employment for Cause at any time upon written notice to the Executive, in which event all payments under this Agreement shall cease, except for any amounts to which the Executive may be entitled under Section 6(h).

(e) Voluntary Resignation by Executive without Good Reason. The Executive may voluntarily terminate employment without Good Reason for any reason upon 30 days prior written notice to the Company; provided that, the Company may waive all or any portion of such notice period without the obligation to provide compensation in respect of any waived portion of the notice period. In such event, after the effective date of such termination, no payments shall be due under this Agreement, except for any payments or benefits to which the Executive may be entitled under Section 6(h).

(f) Termination Upon Death of Executive. If the Executive dies during the Term, the Executive's employment shall terminate on the date of death and the Company shall pay to the Executive's executor, legal representative, administrator or designated beneficiary, as applicable, any amounts payable to the Executive under Section 6(h) and any Pro-Rated Performance Bonus accrued through the effective date of his termination of employment to which the Executive may be entitled. Otherwise, the Company shall have no further liability or obligation under this Agreement to the Executive's executors, legal representatives, administrators, heirs or assigns or any other person claiming under or through the Executive.

(g) Termination Upon Total Disability of Executive. If the Executive incurs a Total Disability (as defined in Section 9(h)) during the Term, the Company may terminate the Executive's employment on or after the date of Total Disability. In the event that the Executive's employment is terminated due to a Total Disability, then subject to Section 6(i), the Executive shall receive (A) continued payments of the Executive's Base Salary as then in effect for a period of six months following the effective date of termination, payable in installments in accordance with the Company's normal payroll practices (but no less frequently than monthly), provided that payment shall instead be made in a lump sum within 60 days following the termination date, to the extent termination occurs within two years following a Change of Control which constitutes a change in control event under Section 409A of the Code, and (B) any Pro-Rated Performance Bonus accrued through the effective date of termination to which the Executive may be entitled. In addition, the Executive shall be entitled to receive any amounts payable to him under Section 6(h).

(h) Accrued Obligations. In the event of any termination of employment under this Section 6, the Company shall pay to the Executive (i) the amount of any accrued but unpaid Base Salary and accrued and unused vacation, less applicable withholdings and deductions, through the date of termination, (ii) reimbursement of expenses or allowances in accordance with Section 5 and not previously reimbursed through the date of termination and (iii) all benefits that are accrued and vested through the date of termination under all employee benefit plans of the Company in which the Executive was a participant immediately prior to such termination, regardless of whether the Executive executes or revokes the Release (as defined in Section 9(f)).

(i) Release. Notwithstanding anything in this Section 6 to the contrary, in no event shall the Executive be entitled to receive any amounts, rights or benefits under Section 6(a), (b), (c) or (g) unless the Executive executes, delivers and, if applicable, does not revoke within any applicable revocation period, a Release and the Release shall have become effective by its terms prior to the 60th day following the Executive's termination date. Accordingly, payments under Section 6(a), (b), (c) or (g) shall be paid or commence within 60 days following the Executive's termination date and following the effective date of the Release; provided that, any installments that would have otherwise been paid in accordance with payroll practices between the termination date and the date of the first payment shall be paid with the first payment.

7. No Mitigation; No Offset. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced, regardless of whether the Executive obtains other employment. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive or others.

8. Resignation of Positions. Effective as of the date of any termination of employment, the Executive will resign all Company-related positions, including as an officer and director of the Company and its parents, subsidiaries and affiliates.

9. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Adjusted IBIT", as it applies to any particular year, means that amount for such year equal to the Company's Income Before Income Taxes, as determined by the Company's independent auditors, using generally accepted accounting principles, and reported in the Company's Consolidated Statements of Operations in its Annual Report on Form 10-K for such year filed with the Securities and Exchange Commission, subject to such adjustments as are set forth in the Adjusted IBIT Performance Bonus Table for such year (which adjustments, if not set forth therein, shall be the same as those applied to the bonus arrangements with the other senior executive officers of the Company).

(b) "Cause" means that the Executive has (i) committed any act of willful misconduct, including fraud, in connection with his employment by the Company; (ii) materially breached any provision of this Agreement, which breach has not been cured within ten business days after receiving written notice of such breach; (iii) failed, refused or neglected, other than by reason of a Total Disability, to timely perform any material duty or obligation under this Agreement or to comply with any lawful directive of the Board, which failure, refusal or neglect has not been cured within ten business days after receiving written notice thereof; (iv) been formally indicted for a crime involving moral turpitude, dishonesty, fraud or unethical business conduct; (v) violated a fiduciary obligation to the Company; (vi) been determined by a governmental body or other appropriate authority to have violated any material law or regulation that is applicable to the Company's businesses, or entered into a consent order concerning a violation of any material law or regulation that is applicable to the Company's businesses; or (vii) become the subject of an SEC action or administrative proceeding which has been commenced against him. Upon a cure of the acts set forth in subsections (ii) or (iii) by the Executive within the ten business day cure period to the reasonable satisfaction of the Board, such event shall no longer constitute Cause for purposes of this Agreement.

(c) "Change of Control" means (A) the consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if more than 50% of the combined voting power of the continuing or surviving entity's issued shares or securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not shareholders of the Company 180 days prior to such merger, consolidation or other reorganization; (B) the sale, transfer or other disposition of all or substantially all of the Company's assets; (C) a change in the composition of the Board, as a result of which fewer than 50% of the incumbent directors are directors who had been directors of the Company on the date 24 months prior to the date of the event that may constitute a Change of Control (for example, the current Board has ten directors, a change of six directors shall constitute a Change of Control); (D) any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), directly or indirectly, of securities of the Company representing at least 50% of the total voting power represented by the Company then outstanding voting

securities (e.g., issued shares). The term “person” shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude (i) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or of any subsidiary of the Company and (ii) a company owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the ordinary shares of the Company.

(d) “Good Reason” means the occurrence of any of the following without the Executive’s prior written consent: (i) a material diminution in the Executive’s duties, or the assignment to the Executive of duties materially inconsistent with the authority, responsibilities and reporting requirements as set forth in Section 1(b); (ii) the failure of the Board to elect the Executive to the office of President of the Company; (iii) the Company, the Board or any person controlling the Company requires the Executive to relocate his principal place of employment to a location outside of a 50 mile radius from its current location, over the objection of the Executive unless such relocation is as the result of exigent circumstances as determined by the Board; or (iv) the failure of the Company to obtain the assumption in writing of its obligations to perform this Agreement by any successor to all or substantially all of the business or assets of the Company not later than the effective date of such transaction. In the event that the Executive elects to terminate his employment for Good Reason, the Executive shall notify the Company in writing of the grounds for such termination within 30 days of the commencement of such condition and the Company shall have 30 days from the receipt of such notice to cure such condition. The Executive must terminate his employment within the 90-day period following the initial existence of the circumstances constituting Good Reason.

(e) “Pro-Rated Performance Bonus” for a particular fiscal year means the amount equal to the Annual Adjusted IBIT Performance Bonus for such fiscal year that would have been payable to the Executive by the Company for such fiscal year, as determined by the Board, if this Agreement had not been terminated during such fiscal year times a fraction, the numerator of which is the number of months elapsed during such fiscal year up to and including the month in which the termination of the Term occurs and the denominator of which is 12.

(f) “Release” means a release of claims against the Company in the form attached hereto as Exhibit A, subject to any legally required changes.

(g) “Target Bonus” means 112.5% of the Executive’s annual Base Salary in effect at the time of termination; provided that, for purposes of Section 6(c), Target Bonus means 112.5% of the greater of (i) the Executive’s annual Base Salary in effect at the time of termination or (ii) the Executive’s annual Base Salary in effect at the effective date of the Change of Control.

(h) “Total Disability” means the failure of the Executive, after reasonable accommodation, to perform his duties for an aggregate period of 120 consecutive days during any 12 month period by reason of the Executive’s physical or mental disability. The Company’s obligation to pay the Base Salary to the Executive during such 120 consecutive day period shall be conditioned upon the Executive complying with all requirements under the Company’s short-term and long-term disability insurance policies, as determined in the sole discretion of the short-term and long-term disability insurance providers. Notwithstanding the foregoing, in the event that the short-term and/or long-term insurance providers pay to the Executive any amounts required to be paid by such insurance providers under the Company’s short-term and/or long-

term disability insurance policies, as applicable, for the 120 consecutive day period prior to the termination of the Executive's employment due to Total Disability pursuant to Section 6(g), then during such 120 consecutive day period, the Company shall pay to the Executive only the amount that is the difference between (i) the Executive's Base Salary and (ii) the disability benefits paid to the Executive by the short-term and long term insurance providers. Any dispute as to whether or not the Executive is Totally Disabled within the meaning of this Section 9(h) shall be resolved by a physician or other health care professional selected in good faith by the Executive, and approved by the Board, which approval shall not be unreasonably withheld, and the determination of such physician or other health care professional shall be final and binding upon both the Executive and the Company.

10. Parachute Payments; Section 280G.

(a) Notwithstanding any other provisions of this Agreement to the contrary, in the event that it shall be determined that any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Payments"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall reduce (but not below zero) the aggregate present value of the Payments to the Reduced Amount (as defined below), if reducing the Payments under this Agreement will provide the Executive with a greater net after-tax amount than would be the case if no such reduction was made. The Payments shall be reduced as described in the preceding sentence only if (A) the net amount of the Payments, as so reduced (and after subtracting the net amount of federal, state and local income and payroll taxes on the reduced Payments), is greater than or equal to (B) the net amount of the Payments without such reduction (but after subtracting the net amount of federal, state and local income and payroll taxes on the Payments and the amount of Excise Tax (as defined below) to which the Executive would be subject with respect to the unreduced Payments). Any reduction shall be made in accordance with Section 409A of the Code. For purposes of this Section 10(a), (i) the "Reduced Amount" shall be an amount expressed in present value that maximizes the aggregate present value of Payments under this Agreement without causing any Payment under this Agreement to be subject to the Excise Tax, determined in accordance with Section 280G(d)(4) of the Code, and (ii) the term "Excise Tax" means the excise tax imposed under Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(b) All determinations to be made under this Section 10 shall be made by an independent registered public accounting firm or consulting firm selected by the Company immediately prior to a change of control, which shall provide its determinations and any supporting calculations both to the Company and the Executive within ten days of the change of control. Any such determination by such firm shall be binding upon the Company and the Executive. All fees and expenses of the accounting or consulting firm in performing the determinations referred to in this Section 10 shall be borne solely by the Company. The Executive may review the calculations provided by the accounting or consulting firm and may retain another accounting or consulting firm at his own expense for such review and submit objections during such ten day review period.

11. Restrictive Covenants.

(a) Non-Competition. During the Term, the Executive will devote his full available business time and efforts to promoting and advancing the business of the Company. The Executive hereby agrees that during the Term and for a period of one year thereafter, he will not engage in, be employed by or participate in any way in any country in any business that (i) the Company is engaging in, or is actively planning to engage in, on the effective date of the Executive's termination of employment (including without limitation, the sale, manufacture, distribution or marketing of any kitchenware, bakeware, pantry ware, cutlery, kitchen gadgets, flatware, home decor, picture frames or related products or the licensing of trademarks and brand names therefor) or (ii) accepts or holds a license, dealership, distributorship, franchise or similar arrangement as to any trademark or product as to which the Company is a licensee, licensor, dealer, distributor, franchisee or franchisor on the effective date of the Executive's termination (which engagement, employment or participation includes, but is not limited to, acting as a director, officer, employee, agent, member, manager, managing member, independent contractor, partner, general partner, limited partner, consultant, representative, salesman, licensor or licensee, franchisor or franchisee, proprietor, syndicate member, stockholder or creditor). Notwithstanding the foregoing, the Executive may own or hold equity securities (or securities convertible into, or exchangeable or exercisable for, equity securities) of any company or entity that engages in a business that is the same or similar to that of the Company or of its parent entities (if any) or any of its subsidiaries or affiliates; provided, however, that (i) such equity securities are publicly traded on a securities exchange and (ii) the Executive's aggregate holdings of such securities do not exceed at any time one (1%) percent of the total issued and outstanding equity securities of such company or entity.

(b) Non-Solicitation. The Executive agrees that during the Term and for a period of one year thereafter:

(i) Customers and Business. The Executive will not directly or indirectly, either for himself or for any other person, business, partnership, association, firm, corporation or company (A) call upon, solicit, divert or take away or attempt to solicit, divert or take away (1) any of the customers or prospective customers (i.e., those customers in existence or being solicited by the Company or any of its subsidiaries at the time of the Executive's termination of employment with the Company or within 12 months prior thereto) or (2) any business of the Company or any of its subsidiaries (i.e., those business arrangements concluded or being negotiated and/or developed by the Company or any of its subsidiaries at the time of the termination of the Executive's employment), or (B) otherwise induce or influence any such customer or prospective customer to reduce its volume of business, or terminate or divert its relationship or otherwise in any way adversely affect its relationship, with the Company or any of its subsidiaries.

(ii) Employees. The Executive, on behalf of himself, or any business, firm, corporation, partnership, association, company or any other entity other than the Company, will not solicit for employment, employ, engage, retain, discuss employment, recruit, attempt to recruit, hire or attempt to hire, or assist any other person to do so in any manner, any person who, within the prior 12 months, was a director, officer, executive, consultant, advisor, representative or agent of the Company or any of its subsidiaries, or encourage any such person to terminate his or her employment or other

relationship with the Company or any of its subsidiaries; provided, however, that the foregoing shall not prohibit general employment solicitations not specifically targeted at directors, officers, executives, consultants, advisors, representatives or agents of the Company or any of its subsidiaries.

(c) Nondisclosure Obligation. The Executive acknowledges and agrees that the Company and its subsidiaries own, control and have exclusive access to a body of existing technical knowledge and technology, and that the Company and its subsidiaries have expended and are expending substantial resources in a continuing program of research, development and production with respect to their businesses. The Company and its subsidiaries possess and will continue to possess information that has been or will be created, discovered or developed, or has or will otherwise become known to the Company and its subsidiaries, and/or in which property rights have been or will be assigned or otherwise conveyed to the Company and its subsidiaries, which information has commercial value in the businesses in which the Company and its subsidiaries are engaged including information about costs, profits, markets, sales, products, key personnel, pricing policies, operational methods, technical processes and other business affairs and methods, plans for future development and other information not readily available to the public. All of the aforementioned information is hereinafter called "Confidential Information." The Executive acknowledges that his employment by the Company creates a relationship of confidence and trust between the Executive and the Company and its subsidiaries, and that by reason of such employment the Executive will come into possession of, contribute to, and have access to and knowledge of Confidential Information. The Executive further acknowledges that the services to be performed under this Agreement are of a special, unique, unusual, extraordinary and intellectual character. The Executive further acknowledges that the businesses of the Company are international in scope, and that the nature of the Executive's services, position and expertise are such that he is capable of competing with the Company from nearly any location in the Western hemisphere or Europe. In recognition of the foregoing, the Executive covenants and agrees that during the Term and for five years thereafter, the Executive will use and hold such Confidential Information solely for the benefit of the Company and its subsidiaries and shall not use such Confidential Information for the Executive's own benefit or for the benefit of any third party. The Executive shall not, directly or indirectly, disclose or reveal such Confidential Information, in any manner, to any person other than the Company's executives unless such information is made or becomes public through disclosure of a party other than the Executive, or such disclosure is required by law and, then, to the extent practicable, only following prior written notice to the Company. At the termination of his employment, the Executive shall deliver to the Company all notes, letters, documents and records which may contain Confidential Information which are then in his possession or control and shall destroy any and all copies and summaries thereof.

(d) Permitted Conduct. Nothing in this Agreement shall prohibit or restrict the Executive from lawfully (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental or regulatory agency, entity, or official(s) (collectively, "Governmental Authorities") regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to the Executive individually (and not directed to the Company and/or its subsidiaries) from any such Governmental Authorities; (iii) testifying, participating or otherwise assisting in an action or proceeding by any such Governmental Authorities relating to a possible

violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made to the Executive's attorney in relation to a lawsuit for retaliation against the Executive for reporting a suspected violation of law; or (C) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nor does this Agreement require the Executive to obtain prior authorization from the Company before engaging in any conduct described in this paragraph, or to notify the Company that the Executive has engaged in any such conduct.

(e) Non-Disparagement. The Company and the Executive covenant and agree that during the Term and following termination of the Term, neither party shall make any disparaging, false or abusive remarks or communications, written or oral, regarding the Executive, on the part of the Company, or the Company, the Company's products, brands, trademarks, directors, officers, employees, consultants, advisors, licensors, licensees, customers, vendors or others with which it has a business relationship, on the part of the Executive.

(f) Remedies. It is specifically understood and agreed that any breach of the provisions of this Section 11 is likely to result in irreparable injury to the Company or the Executive, as the case may be, and that the remedy at law alone will be an inadequate remedy for such breach, and that, in addition to any other remedy it may have, each party shall be entitled to enforce the specific performance of this Agreement by the other party and to seek both temporary and permanent injunctive relief (to the extent permitted by law).

12. Arbitration. Any controversy or claim arising out of or relating to this Agreement (or the breach thereof) shall be settled by final and binding arbitration in New York, New York by three arbitrators. Except as otherwise expressly provided in this Section 12, the arbitration shall be conducted in accordance with the commercial rules of the American Arbitration Association (the "Association") then in effect. One of the arbitrators shall be appointed by the Company, one shall be appointed by the Executive, and the third shall be appointed by the first two arbitrators. If the first two arbitrators cannot agree on the third arbitrator within 30 days of the appointment of the second arbitrator, then the third arbitrator shall be appointed by the Association. This Section 12 shall not be construed to limit the Company's or the Executive's right to obtain equitable relief under this Agreement with respect to any matter or controversy subject to this Agreement, and, pending a final determination by the arbitrators with respect to any such matter or controversy, the Company and the Executive shall be entitled to obtain any such relief by direct application to a state, federal or other applicable court, without first being required to arbitrate such matter or controversy and without the necessity of posting a bond.

13. Directors and Officers Insurance. The Executive shall be covered under the Company's existing directors and officers insurance policies, as in effect from time to time.

14. Survival. The respective rights and obligations of the parties under this Agreement (including, but not limited to, Section 11) shall survive any termination of the Executive's employment or termination or expiration of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

15. Section 409A.

(a) This Agreement is intended to comply with Section 409A of the Code or an exemption, and payments may only be made under this Agreement upon an event and in a manner permitted by Section 409A of the Code, to the extent applicable. Severance benefits under the Agreement are intended to be exempt from Section 409A of the Code under the “short-term deferral” exception, to the maximum extent applicable, and then under the “separation pay” exception, to the maximum extent applicable. Notwithstanding anything in this Agreement to the contrary, if required by Section 409A of the Code, if the Executive is considered a “specified employee” for purposes of Section 409A of the Code and if payment of any amounts under this Agreement is required to be delayed for a period of six months after separation from service pursuant to Section 409A of the Code, payment of such amounts shall be delayed as required by Section 409A of the Code, and the accumulated amounts shall be paid in a lump sum payment within ten days after the end of the six-month period. If the Executive dies during the postponement period prior to the payment of benefits, the amounts withheld on account of Section 409A of the Code shall be paid to the personal representative of the Executive’s estate within 60 days after the date of the Executive’s death.

(b) All payments to be made upon a termination of employment under this Agreement may only be made upon a “separation from service” under Section 409A of the Code. For purposes of Section 409A of the Code, each payment hereunder shall be treated as a separate payment and the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. In no event may the Executive, directly or indirectly, designate the calendar year of a payment. Notwithstanding any provision of this Agreement to the contrary, in no event shall the timing of the Executive’s execution of the Release, directly or indirectly, result in the Executive designating the calendar year of payment of any amounts of deferred compensation subject to Section 409A of the Code, and if a payment that is subject to execution of the Release could be made in more than one taxable year, payment shall be made in the later taxable year.

(c) All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

16. Notices. All notices and other communications required or permitted under this Agreement or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when hand delivered or mailed by registered or certified mail, as follows (provided that notice of change of address shall be deemed given only when received):

If to the Company, to:

Lifetime Brands, Inc.
1000 Stewart Avenue
Garden City, New York 11530
Attention: CEO

with a copy to:

Lifetime Brands, Inc.
1000 Stewart Avenue
Garden City, New York 11530
Attention: Legal Department

If to the Executive, to:

Mr. Daniel Siegel

or, to the most recent address on file with the Company or to such other names or addresses as the Company or the Executive, as the case may be, shall designate by notice to each other person entitled to receive notices in the manner specified in this Section 16.

17. Withholding. All payments under this Agreement shall be made subject to applicable tax withholding, and the Company shall withhold from any payments under this Agreement all federal, state and local taxes as the Company is required to withhold pursuant to any law or governmental rule or regulation. The Executive shall bear all expenses of, and be solely responsible for, all federal, state and local taxes due with respect to any payment received under this Agreement.

18. Remedies Cumulative; No Waiver. No remedy conferred upon a party by this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission by a party in exercising any right, remedy or power under this Agreement or existing at law or in equity shall be construed as a waiver thereof, and any such right, remedy or power may be exercised by such party from time to time and as often as may be deemed expedient or necessary by such party in its sole discretion.

19. Assignment. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, except that the duties and responsibilities of the Executive under this Agreement are of a personal nature and shall not be assignable or delegable in whole or in part by the Executive. The Company may assign its rights, together with its obligations hereunder, in connection with any sale, transfer or other disposition of all or substantially all of its business and assets, and such rights and obligations shall inure to, and be binding upon, any successor to the business or any successor to substantially all of the assets of the Company, whether by merger, purchase of stock or assets or otherwise, which successor shall expressly assume such obligations.

20. Company Policies. This Agreement and the compensation payable hereunder shall be subject to any applicable clawback or recoupment policies, share trading policies, and other policies that may be implemented by the Board from time to time with respect to officers of the Company.

21. Entire Agreement; Modifications. This Agreement sets forth the entire agreement of the parties hereto and supersedes any and all prior agreements and understandings concerning the Executive's employment by the Company, including but not limited to the Prior Agreement. This Agreement may be amended or modified only by a written document signed by the Executive and the Company.

22. Severability. If any provision of this Agreement or application thereof to anyone or under any circumstances is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect any other provision or application of this Agreement which can be given effect without the invalid or unenforceable provision or application and shall not invalidate or render unenforceable such provision or application in any other jurisdiction. If any provision is held void, invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

23**.** Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive and procedural laws of the state of New York without regard to rules governing conflicts of law. Subject to Section 12, any legal action or proceeding brought with respect to this Agreement shall be brought in the state or federal courts located in New York, New York. If the Executive prevails in any legal or arbitration proceeding commenced in connection with this Agreement, then the Company shall reimburse the Executive for reasonable attorneys' fees and costs incurred in connection therewith.

24. Indemnification. The Amended and Restated Indemnification Agreement between the Company and the Executive, dated January 26 2016, shall remain in full force and effect in accordance with its terms.

25. Counterparts. This Agreement may be executed in any number of counterparts (including facsimile counterparts), each of which shall be an original, but all of which together shall constitute one instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

LIFETIME BRANDS, INC.

By: /s/ Ronald Shiftan
Name: Ronald Shiftan
Title: Vice Chairman and COO

EXECUTIVE

/s/ Daniel Siegel
Daniel Siegel

EXHIBIT A

GENERAL RELEASE

I, Daniel Siegel, the undersigned, agree to accept the payments and benefits set forth on Section 6 of the employment agreement between me and Lifetime Brands, Inc. (the "Company") dated as of , 2017 (the "Employment Agreement") in full resolution and satisfaction of, and hereby IRREVOCABLY AND UNCONDITIONALLY RELEASE, REMISE AND FOREVER DISCHARGE the Company and Releasees from any and all agreements, promises, liabilities, claims, demands, rights and entitlements of any kind whatsoever, in law or equity, whether known or unknown, asserted or unasserted, fixed or contingent, apparent or concealed, to the maximum extent permitted by law ("Claims"), which I, my heirs, executors, administrators, successors or assigns ever had, now have or hereafter can, shall or may have for, upon, or by reason of any matter, cause or thing whatsoever existing, arising, occurring or relating to my employment and/or termination thereof with the Company and Releasees, or my economic rights as an equity holder of the Company or Releasees, at any time on or prior to the date I execute this general release and waiver of Claims (this "Release"), including, without limitation, any and all Claims arising out of or relating to compensation, benefits, any and all contract claims, tort claims, fraud claims, claims for bonuses, commissions, sales credits, etc., defamation, disparagement, or other personal injury claims, claims for accrued vacation pay, claims under any federal, state or municipal wage payment, harassment, retaliation, discrimination or fair employment practices law, statute or regulation, and claims for costs, expenses and attorneys' fees with respect thereto. This Release includes, without limitation, any and all rights and claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866, 1871 and 1991, Section 1981 of U.S.C., the Employee Retirement Income Security Act, the Age Discrimination in Employment Act (including but not limited to the Older Workers Benefit Protection Act), the Americans with Disabilities Act, the Genetic Information Non-discrimination Act, the Family and Medical Leave Act, the Equal Pay Act, New York State Human Rights Law, New York Equal Pay Law, New York Equal Rights Law, New York Off-duty Conduct Lawful Activities Discrimination Law, New York State Labor Relations Act, Article 23-A of the New York State Corrections Law, New York Whistleblower Statute, New York Family Leave Law, New York Minimum Wage Act, New York Wage and Hour Law, New York Wage Hour and Wage Payment Law, New York WARN Act, and retaliation provisions of New York Workers' Compensation Law, and all amendments to the foregoing, and any other federal, state or local statute, ordinance, regulation or constitutional provision regarding employment, compensation, employee benefits, termination of employment or discrimination in employment.

Except as permitted by Section 11(d) of the Employment Agreement and explained below, I represent and affirm (i) that I have not filed any Claim against the Company or Releasees and (ii) that to the best of my knowledge and belief, there are no outstanding Claims.

For the purpose of implementing a full and complete release and discharge of Claims, I expressly acknowledge that this Release is intended to include in its effect, without limitation,

all the Claims described in the preceding paragraphs, whether known or unknown, apparent or concealed, and that this Release contemplates the extinction of all such Claims, including Claims for attorney's fees. I expressly waive any right to assert after the execution of this Release that any such Claim has, through ignorance or oversight, been omitted from the scope of the Release.

For purposes of this Release, the term "the Company and Releasees" includes the Company and its past, present and future direct and indirect parents, subsidiaries, affiliates, divisions, predecessors, successors, and assigns, and their past, present and future officers, directors, shareholders, representatives, agents, attorneys and employees, in their official and individual capacities, and all other related individuals and entities, jointly and individually, and this Release shall inure to the benefit of and shall be binding and enforceable by all such entities and individuals.

Notwithstanding anything in this Release to the contrary, I do not waive (i) my existing right to receive vested accrued benefits under plans or programs of the Company under which I have accrued benefits (other than under any Company separation or severance plan or programs), (ii) any claims that, by law, may not be waived, (iii) any right to indemnification under the governing documents of the Company or any indemnification agreement between me and the Company, or under any directors and officers insurance policy, with respect to my performance of duties as an officer or director of the Company, and (iv) any claim or right I may have for unemployment insurance benefits, workers' compensation benefits, state disability and/or paid family leave insurance benefits pursuant to the terms of applicable state law.

I understand that nothing in this Release or the Employment Agreement restricts or prohibits me from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. However, I acknowledge that to the maximum extent permitted by law, I am waiving my right to receive any individual monetary relief from the Company or any others covered by this Release resulting from such claims or conduct, regardless of whether I or another party has filed them, and in the event I obtain such monetary relief the Company will be entitled to an offset for the payments made pursuant to this Release and the Employment Agreement. I understand that this Release and the Employment Agreement do not limit my right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. I further understand that I do not need the prior authorization of the Company to engage in conduct protected by this Paragraph, and that I do not need to notify the Company that I have engaged in such conduct.

I have taken **notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.**

I acknowledge that for purposes of my entitlement to the payments and benefits set forth in Section 6 of the Employment Agreement, this Release will not become effective unless and until I have signed and returned this Release to the Company, and have not revoked it pursuant to the following paragraph.

I further acknowledge that I have had at least 21 days from my receipt of this Release, to review and consider this Release, to consult with an attorney prior to executing this Release, and have been provided 7 days to revoke my execution of this Release by delivering a written notice of revocation to the Company.

I ACKNOWLEDGE THAT I HAVE READ
THIS RELEASE, AND I UNDERSTAND
AND VOLUNTARILY ACCEPT ITS TERMS.

______________________________	______________________________
Daniel Siegel	Date

Exhibit 31.1

CERTIFICATION

I, Jeffrey Siegel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lifetime Brands, Inc. (“the registrant”);

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)4) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Jeffrey Siegel
Jeffrey Siegel
Chief Executive Officer and Director
Date: November 9, 2017

Exhibit 31.2

CERTIFICATION

I, Laurence Winoker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lifetime Brands, Inc. ("the registrant");

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)4) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Laurence Winoker

Laurence Winoker
Senior Vice President – Finance,
Treasurer and Chief Financial Officer
Date: November 9, 2017

Exhibit 32.1

Certification by Jeffrey Siegel, Chief Executive Officer and Chairman of the Board of Directors, and Laurence Winoker, Senior Vice President – Finance, Treasurer and Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

I, Jeffrey Siegel, Chief Executive Officer and Chairman of the Board of Directors, and I, Laurence Winoker, Senior Vice President – Finance, Treasurer and Chief Financial Officer, of Lifetime Brands, Inc., a Delaware corporation (the "Company"), each hereby certifies that:

(1) The Company's periodic report on Form 10-Q for the period ended September 30, 2017 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey Siegel
Jeffrey Siegel
Chief Executive Officer and Director

Date: November 9, 2017

/s/ Laurence Winoker
Laurence Winoker
Senior Vice President- Finance, Treasurer
and Chief Financial Officer

Date: November 9, 2017

A signed original of this written statement required by Section 1350 has been provided to Lifetime Brands, Inc. and will be retained by Lifetime Brands, Inc. and furnished to the Securities and Exchange Commission or its staff, upon request.