

JEFFERIES GROUP INC /DE/
Form 4/A
July 05, 2005

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
SYRJAMAKI MAXINE

2. Issuer Name and Ticker or Trading Symbol
JEFFERIES GROUP INC /DE/
[JEF]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
03/31/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Controller

C/O JEFFERIES & COMPANY, INC., 520 MADISON AVE., 12TH FLOOR

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)
04/01/2005

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

NEW YORK, NY 10022

(City) (State) (Zip)

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)		
				(A) or (D)	Price				
Common Stock	03/31/2005		A ⁽¹⁾	V	3.9737	A	\$ 37.4768	44,215 ⁽²⁾	D
Common Stock	03/31/2005		A ⁽³⁾	V	25.4193	A	\$ 33.7291	44,240 ⁽²⁾	D

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

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SEC 1474 (9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SYRJAMAKI MAXINE C/O JEFFERIES & COMPANY, INC. 520 MADISON AVE., 12TH FLOOR NEW YORK, NY 10022			Controller	

Signatures

/s/ Roland T. Kelly, by power of attorney 07/05/2005

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Acquisition of restricted stock units as a result of dividend reinvestment under the Jefferies Group, Inc. 2003 Incentive Compensation Plan in a transaction exempt under Rule 16b-3(d) under the Securities Exchange Act of 1934.
Does not include 78,749 shares indirectly held by the Reporting Person by the Trustee of the Jefferies Group, Inc. Employees' Stock Ownership Plan for the benefit of the Reporting Person, and does not include 28,131 shares indirectly held by the Reporting Person by the Trustee under the Jefferies Group, Inc. Profit Sharing Plan for the benefit of the Reporting Person.
- (3) Acquisition of deferred shares upon dividend reinvestments under the Jefferies Group, Inc. Deferred Compensation Plan in a transaction exempt under Rule 16b-3(d) under the Securities Exchange Act of 1934, as amended. Calculated based on all available data, but may differ slightly from the actual report to be provided to the Reporting Person by the plan administrator due to rounding or other inconsistencies.

Remarks:

This amendment is filed to correct the number of deferred shares granted to the Reporting Person on March 31, 2005 pursuant to the plan. Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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(\$)

(\$)

(\$)

Karen Murray
Chief Executive Officer

2018

\$

600,000

\$

—

\$

—

\$

450,000

\$

Explanation of Responses:

27,500

\$

1,077,500

2017

\$

450,000

\$

62,500

\$

1,849,750

\$

337,500

\$

7,146

\$

2,706,896

Explanation of Responses:

Peter Lops
Chief Financial Officer

2018

351,170

—

657,250

199,219

25,337

1,232,976

Martha Stewart
Chief Creative Officer

2018

500,000

1,300,000

636,000

—

3,493,147

5,929,147

2017

500,000

1,300,000

Explanation of Responses:

—

—

4,760,174

6,560,174

2016

500,000

1,300,000

—

—

3,240,127

5,040,127

Andrew Cooper
President

2018

550,000

—

241,250

515,625

29,000

1,335,875

2017

525,000

—

—

492,188

18,000

1,035,188

2016

182,051

275,000

3,001,000

—

6,754

3,464,805

-
- (1) Ms. Murray was hired as our Chief Executive Officer effective as of April 3, 2017. Mr. Cooper also served as Interim Chief Financial Officer from September 1, 2017 until Mr. Mr. Lops was hired to that position effective March 19, 2018.
 - (2) For 2018, the amounts reported in this column represent for Ms. Stewart, the annual guaranteed payment payable during 2018 as provided for under her employment agreement, as discussed in further detail below.
 - (3) The amounts in this column represent the grant date fair value calculated in accordance with Financial Accounting Standards Board, Accounting Standards Codification Topic 718, Compensation — Stock Compensation (“ASC Topic 718”). The stock awards granted in 2018 comprised the following: (i) Mr. Lops, restricted stock units and PSUs; (ii) Ms. Stewart, restricted stock units; and (iii) Mr. Cooper, PSUs. For additional information on the valuation assumptions with respect to the stock awards granted, please see Note 15 to our consolidated financial statements included in the 2018 Annual Report. The amount reported above for 2018 assumes achievement of the maximum performance levels for PSUs granted and does not reflect the actual value that may be realized by Mr. Lops and Mr. Cooper, which depends on the value of our shares in the future.

- (4) The amounts reported in this column represent annual performance bonus payouts paid under our annual cash bonus program. For more information on this program for 2018, see “Elements of Compensation — Annual Cash Compensation — Annual Performance Bonus” above.
- (5) The amounts set forth in this column for 2018 represent: (i) for Ms. Murray, various travel allowances (\$16,500), and Company-paid 401(k) match (\$11,000); (ii) for Mr. Lops, a car allowance (\$15,000) and Company-paid 401(k) match (\$10,337); (iii) for Mr. Cooper, a car allowance (\$18,000) and Company-paid 401(k) match (\$11,000); and (iv) for Ms. Stewart, (a) \$2,100,114 in connection with the Intangible Asset Agreement, which is described in more detail in “Certain Relationships and Related Transactions — Agreements with Ms. Stewart”, (b) Company-paid 401(k) match (\$11,000) and (c) \$1,382,033 of expenses incurred by reason of her unique position as a performer and her unparalleled role in supporting and developing the Martha Stewart brand, which require her to undertake extensive travel, make a substantial number of on-camera and personal appearances and require her to be constantly in the public eye. We pay for a number of expenses to assist Ms. Stewart in fulfilling these Company responsibilities that, under SEC regulations, are required to be reported as perquisites. The \$1,382,033 includes the following: (i) \$523,863 for security services, (ii) \$162,249 for expenses related to personal fitness, wellness, beauty and wardrobe provided in her capacity as on-air and in-person talent, (iii) \$468,361 for non-business travel expenses, (iv) \$162,393 for utilities

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and telecommunication services and (v) \$65,167 of personnel costs for individuals performing work for Ms. Stewart and other similar expenses.

Grants of Plan-Based Awards

The following table sets forth the information concerning the grants of plan-based compensation to each named executive officer during the year ended December 31, 2018. The equity awards described below were made under the 2013 Stock Incentive Plan. As discussed above, Ms. Stewart did not participate in our annual cash bonus program in 2018.

	Grant Date	Estimated future payments under non-equity incentive plan awards			Estimated future payments under equity incentive plan awards			All other stock awards: Number of Shares of Stock or Units(3)	Grant date fair value of stock and options awards(4)
		Threshold (\$)	Target(1) (\$)	Maximum (\$)	Threshold (#)	Target(2) (#)	Maximum (#)		
Mr. Murray	March 5, 2018	300,000	600,000	600,000	—	—	—	75,000	179,250
Mr. Lops	March 5, 2018	132,813	265,625	265,625	—	200,000	—	—	478,000
Ms. Stewart	July 24, 2018	—	—	—	—	—	—	300,000	636,000
Mr. Cooper	August 22, 2018	328,125	656,250	656,250	—	125,000	—	—	241,250

- (1) The Target column reflects the award granted if we were to achieve our full 2018 performance targets under our annual cash performance bonus plan. Represents annual performance bonus target of 100% for Ms. Murray, 75% for Mr. Lops and 125% for Mr. Cooper, in each case of the named executive officer's annual salary. For each executive, if performance is 90% or more but less than 100%, 75% of annual bonus will be paid and if performance is 80% or more but less than 90% of target, 50% of annual bonus will be paid. If performance is less than 80% no bonus is paid. See "Compensation Discussion and Analysis — Elements of Compensation — Annual Cash Compensation." Actual amounts received in respect of these bonuses are reported in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation table above. Mr. Lops' bonus threshold and target have been pro-rated for his partial year of employment per the terms of his employment agreement.
- (2) Reflects PSUs that, generally subject to achieving specified performance metrics, will vest in equal installments on December 31, 2018 and 2019 for Mr. Lops and will vest 66.6% and 33.4% on August 22, 2018 and 2019, respectively, for Mr. Cooper. The PSU awards provide for a single payout level. The Target column reflects the target number of shares that would be issued if we were to achieve target level performance. The PSUs for Mr. Lops contain carryforward rights. The Committee approved vesting of 33,333 shares subject to Mr. Lops' March 5, 2018 grant and 83,250 shares subject to Mr. Cooper's August 22, 2018 grant. See "Compensation Discussion and Analysis — Elements of Compensation — Long-Term Incentive Compensation."

- (3) Represents 75,000 time-based restricted stock units granted to Mr. Lops that will vest in equal installments on March 5, 2019, 2020 and 2021 subject to his continued employment and 300,000 restricted stock units granted to Ms. Stewart that were fully vested on grant date.
- (4) Represents total grant date fair value of time-based restricted stock units and PSUs as determined in accordance with ASC Topic 718. For additional information on the valuation assumptions with respect to stock awards granted, please see Note 15 to our consolidated financial statements included in the 2018 Annual Report.

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Summary of Employment Agreements

Certain of the amounts set forth in the “Summary Compensation Table” and the “Grants of Plan-Based Awards” table are provided for in employment agreements. The material terms of such agreements with our named executive officers are summarized below:

Karen Murray. On March 22, 2017, Ms. Murray and the company entered into an employment agreement (the “CEO Employment Agreement”). The term of the CEO Employment Agreement runs through March 31, 2020. Under the terms of the CEO Employment Agreement, Ms. Murray will receive an annual base salary of \$600,000, which may be increased from time to time at the discretion of the Board. The CEO Employment Agreement also provides that Ms. Murray will be eligible to participate in the Company’s annual bonus program for executives and will have a target annual bonus opportunity equal to 100% of her base salary, based upon the Company achieving certain adjusted EBITDA performance targets determined by the Board.

In connection with the commencement of her employment, the Company granted to Ms. Murray 100,000 restricted stock units vesting in three equal annual installments and 175,000 PSUs to be eligible for vesting over calendar years 2017, 2018 and 2019 subject to achievement of performance goals.

The CEO Employment Agreement also provides that Ms. Murray will be entitled to certain severance benefits if her employment ceases under specified circumstances. If Ms. Murray is terminated by the Company without Cause or by Ms. Murray for Good Reason, Ms. Murray will be entitled to receive (i) an amount equal to the base salary Ms. Murray would have received if Ms. Murray had remained employed through the term of the CEO Employment Agreement, (ii) a pro-rata portion of Ms. Murray’s annual bonus for the year of termination, based on actual results for such year, (iii) subsidized COBRA coverage for up to 18 months and (iv) full vesting of any unvested portion of the 100,000 time-based restricted stock units granted upon her commencement of employment. Payment of these severance benefits is subject to the requirement that Ms. Murray execute a release of claims against the Company and its affiliates. If the Company does not offer Ms. Murray a new employment agreement that is substantially comparable to or more favorable than the CEO Employment Agreement and Ms. Murray resigns at the end of the term of the Employment Agreement, she will receive continued payment of her base salary for six months.

Pursuant to the terms of the CEO Employment Agreement, Ms. Murray is also subject to customary (i) confidentiality provisions, (ii) non-competition provisions during the term and for twelve months thereafter, and (iii) non-solicitation provisions during the term and for a period of twelve months thereafter with respect to the Company’s employees and customers.

Peter Lops. On February 27, 2018, Mr. Lops and the Company entered into an employment agreement (the “CFO Employment Agreement”) on a form similar to the CEO Employment Agreement. The term of the CFO Employment Agreement runs through March 5, 2021. Under this agreement, Mr. Lops is to receive an annual base salary of \$425,000 for the first year of the CFO Employment Agreement and \$450,000 for the second and third years of his agreement. His base salary is subject to review each March 5th. The CFO Employment Agreement also provides that Mr. Lops will be eligible to participate in the Company’s annual bonus program for executives and will have a target annual bonus opportunity equal to 75% of his base salary, based upon the Company achieving certain adjusted EBITDA performance targets determined by the Board. In connection with the commencement of his employment, the Company granted Mr. Lops 75,000 restricted stock units vesting in three equal annual installments and 200,000 PSUs to be eligible for vesting over 2018 and 2019 subject to achievement of certain performance goals.

The CFO Employment Agreement also provides that Mr. Lops will be entitled to certain severance benefits if his employment ceases under specified circumstances. If Mr. Lops is terminated without cause or resigns for good reason, he will receive (i) an amount equal to the base salary he would have received if he had remained employed through

the term of the CFO Employment Agreement, or, if less, at least six month's base salary, (ii) any annual bonus earned, but unpaid for a prior year; (iii) if such resignation or termination occurs following the first fiscal quarter of a year, a pro-rata portion of his annual bonus for the year of termination, based on actual results for such year, (iv) subsidized COBRA coverage for up to 18 months and (v) full vesting of any unvested portion of the restricted stock units and PSUs granted upon his commencement of employment. Payment of these severance benefits is subject to the requirement that Mr. Lops execute

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a release of claims against the Company and its affiliates. If the Company does not offer Mr. Lops a new employment agreement that is substantially comparable to or more favorable than the CFO Employment Agreement and Mr. Lops' employment terminates at the end of the term of the CFO Employment Agreement, he will receive continued payment of his base salary for six months. Finally, the CFO Employment Agreement also contains customary confidentiality, non-competition, non-solicitation, intellectual property and indemnification provisions.

Martha Stewart. In connection with the closing of the Company's acquisition of MSLO, the Company entered into an agreement with Ms. Stewart for an initial term continuing through December 31, 2020. The employment agreement will be automatically extended for an additional five years if gross licensing revenues exceed specified thresholds. In the event that the employment agreement is not renewed after its initial term because the extension threshold is not met, Ms. Stewart instead will consult for the Company through December 31, 2025, and for these services will receive an annual consulting fee ranging from \$1.5 million to \$4.5 million, determined annually based on gross licensing revenues. During the term of her employment agreement, Ms. Stewart will, among other things, serve as Chief Creative Officer of the Company and will be entitled to receive, among other things, (i) an annual base salary of \$500,000 per year, (ii) a guaranteed annual payment of \$1.3 million (the "Guaranteed Payment"), (iii) annual payments of 10% of the gross licensing revenues, in excess of a specified threshold (the "Incentive Payment"), (iv) the opportunity to earn an annual bonus as determined by the Board of Directors and Chief Executive Officer, and (v) payment of certain of Ms. Stewart's expenses, up to an annual maximum amount of \$1.5 million. In addition, and regardless of whether Ms. Stewart remains employed with the Company, beginning in 2026 and ending on the later of December 31, 2030 or the date of her death, the Company will pay to Ms. Stewart 3.5% of the annual gross licensing revenues for each such year.

In the event Ms. Stewart's employment is terminated by the Company "without cause" or by Ms. Stewart for "good reason," each as defined in Ms. Stewart's employment agreement, Ms. Stewart will be entitled to, among other things, continued payments of (a) her base salary, the Guaranteed Payment, the Incentive Payment and reimbursement of expenses, all as if Ms. Stewart had remained employed through the end of the then-current term, and (b) continuation of certain benefits and perquisites for a specified period of time post-termination. If such termination occurs upon or prior to the end of the initial term of the employment agreement, and if the term (i) would have been extended under the terms of the agreement, the payments in clause (a) above will continue through December 31, 2025, the end of what would have been the extended term, and (ii) would not have been extended under the terms of the agreement, then Ms. Stewart will receive the consulting fee as described above. These payments are described further under "Potential Payments Upon Termination or Change in Control" below.

Andrew Cooper. On August 22, 2016, the Company entered into an employment agreement (the "President Employment Agreement") with Mr. Cooper for a term continuing through December 31, 2019. Pursuant to the President Employment Agreement, during the term of his employment, Mr. Cooper will receive a base salary of not less than \$525,000 for the 2017 calendar year, \$550,000 for calendar year 2018 and \$575,000 for calendar year 2019. Mr. Cooper will be eligible to receive an annual cash performance bonus of up to 125% his then current base salary based on the attainment of an adjusted EBITDA target established by the Compensation Committee. In addition, the President Employment Agreement provided for an equity compensation grant to Mr. Cooper in 2016 of 550,000 restricted stock units, of which 175,000 was in the form of time-based restricted stock units, vesting in equal installments on the employment date anniversary of each of 2017, 2018 and 2019, and 250,000 PSUs may vest based on the Company's attainment of certain performance targets, vesting in equal installments on the last calendar day of each of 2017, 2018 and 2019, subject to certain catch-up provisions if the performance targets are not met in one year but are met in a subsequent year and 125,000 PSUs will be granted in equal annual increments based on the attainment of certain performance targets as determined the Compensation Committee and the Chief Executive Officer in consultation with Mr. Cooper.

In the event Mr. Cooper's employment is terminated by the Company without Cause or by Mr. Cooper for Good Reason, each as defined in the President Employment Agreement, Mr. Cooper will be entitled to receive, among other things, (i) an amount equal to 2.0 times the sum of (x) the then-current Base Salary and (y) the greater of (1) the actual Annual Bonus for the year immediately preceding the year in which the date of termination occurs or (2) 125% of the then-current Base Salary, (ii) any Annual Bonus earned but unpaid for the prior year, (iii) in the event such resignation or termination occurs following the Company's first fiscal quarter of any year, a pro-rated Annual Bonus for the year in which Mr. Cooper's employment was terminated, and (iv) subsidized COBRA coverage for up to 18 months. In addition,

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any unvested portion of Mr. Cooper's time-based restricted stock units and PSUs (including the 125,000 PSUs to be granted in future years) (or any other equity awards) shall accelerate and become fully vested on the date of such termination. In addition, the President Employment Agreement provides that, if, by July 1, 2019, the Company has not offered Mr. Cooper a new employment agreement comparable to the current agreement and Mr. Cooper decides not to continue employment, Mr. Cooper will be entitled to receive, among other things, (i) six (6) months of the then-current Base Salary, (ii) the Annual Bonus for 2019 on the date such bonus would have been paid if Mr. Cooper remained an employee of the Company and (iii) any unvested time-based equity awards that would have vested in 2020 had Mr. Cooper remained an employee of the Company will accelerate and vest in full and any unvested performance-based equity awards that would have vested based on performance in 2020 will remain outstanding and eligible to vest in accordance with their terms.

Pursuant to the terms of the President Employment Agreement, Mr. Cooper is also subject to customary (i) confidentiality provisions, (ii) non-competition provisions during the Term and for the Restricted Period thereafter, as defined in the President Employment Agreement, and (iii) non-solicitation provisions during the Term and for a period of (A) eighteen (18) months thereafter with respect to the Company's employees and (B) twelve (12) months thereafter with respect to the Company's customers.

Outstanding Equity Awards at Fiscal Year-End 2018

The following table sets forth the information with respect to restricted stock unit awards and PSUs held by each of the named executive officers as of December 31, 2018.

Name(1)	Stock Awards		Equity incentive	Equity incentive
	Number of Shares or units of stock that have not vested(2)	Market value of shares or units of stock that have not vested(3)	plan awards: number of unearned shares, units or other rights that have not vested	plan awards: market or payout value of unearned shares, units or other rights that have not vested(3)
	(#)	(\$)	(#)	(\$)
Karen Murray	66,667	\$ 53,334	58,450	(4) \$ 46,760
Karen Murray	—	—	233,433	(5) 186,746
Peter Lops	75,000	60,000	166,667	(6) 133,334
Andrew Cooper	58,344	46,675	194,528	(7) 155,622
Andrew Cooper	—	—	41,750	(8) 33,400

(1) Ms. Stewart did not hold any unvested Company equity awards as of December 31, 2018.

(2) These time-based restricted stock units vest as follows: (i) for Ms. Murray, 33,333 shares vest on April 3, 2019 and 33,334 shares vest on April 3, 2020, (ii) for Mr. Lops, 25,000 shares vest on March 5, 2019, 25,000 shares vest on March 5, 2020 and 25,000 shares vest on March 5, 2021 and (iii) for Mr. Cooper, 58,334 shares vest on August 22, 2019.

(3) The market value is based on the closing market price of our common stock as of December 31, 2018 (the last trading day of the year), which was \$0.80 per share, multiplied by the number of shares of common stock subject to the award.

(4) Ms. Murray's PSUs granted on April 3, 2017 vest in equal installments, subject to achievement of the specified performance metrics, on December 31, 2017, 2018 and 2019. A total of 33.3% of the shares originally subject to

this award were issued in early 2019 following certification of the relevant performance metrics which were achieved in 2018.

- (5) Ms. Murray's PSUs granted on August 15, 2017 vest in equal installments, subject to achievement of the specified performance metrics, on December 31, 2017, 2018 and 2019. Based on 2018 performance, 33,300 shares were issued on March 27, 2019. The PSUs will pay out only to the extent that the performance metrics are achieved. The PSUs

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contain both carryback and carryforward rights. See “Compensation Discussion and Analysis — Elements of Compensation — Long-Term Incentive Compensation — Performance Stock Units.”

- (6) Mr. Lops’ PSUs granted on March 5, 2018 vest in equal installments, subject to achievement of the specified performance metrics, on December 31, 2018 and 2019. Based on 2018 performance, 33,333 shares were issued on March 27, 2018. The PSUs will pay out only to the extent that the performance metrics are achieved. The PSUs contain both carryback and carryforward rights. See “Compensation Discussion and Analysis — Elements of Compensation — Long-Term Incentive Compensation — Performance Stock Units.”
- (7) Mr. Cooper’s PSUs granted on August 22, 2016 vest in equal installments, subject to achievement of the specified performance metrics, on December 31, 2017, 2018 and 2019. Based on 2018 performance, 27,750 shares were issued on March 27, 2019. The PSUs will pay out only to the extent that the performance metrics are achieved. The PSUs contain carryback and carryforward rights. See “Compensation Discussion and Analysis — Elements of Compensation — Long-Term Incentive Compensation — Performance Stock Units.”
- (8) Mr. Cooper’s PSUs granted on August 22, 2018 vest 66.6% and 33.4%, subject to achievement of the specified performance metrics, on August 22, 2018 and 2019, respectively. The PSUs pay out only to the extent that the performance metrics are achieved. Based on achievement of the specified performance metrics, 83,250 shares were issued on August 22, 2018. The PSUs contain carryback and carryforward rights. See “Compensation Discussion and Analysis — Elements of Compensation — Long-Term Incentive Compensation — Performance Stock Units.”

Stock Vested

The following table sets forth certain information regarding vesting of time-based restricted stock units and PSUs held by our named executive officers during the year ended December 31, 2018:

Name	Stock Awards	
	Number of Shares Acquired on Vesting(1) (#)	Value Realized Upon Vesting(2) (\$)
Karen Murray	124,908	\$ 139,593
Peter Lops	33,333	\$ 26,666
Martha Stewart	300,000	\$ 636,000
Andrew Cooper	169,333	\$ 295,455

- (1) Ms. Murray’s stock awards vested as follows: (i) 33,333 shares of time-based restricted stock units on April 3, 2018, (ii) 58,275 PSUs on December 31, 2018 (settled in March 2019) and (iii) 33,300 PSUs on December 31, 2018 (settled in March 2019). Mr. Lops’ stock award vested as follows: (i) 33,333 PSUs on December 31, 2018 (settled in March 2019). Ms. Stewart’s stock awards vested as follows: (i) 300,000 shares of time-based restricted stock units on July 24, 2018. Mr. Cooper’s stock awards vested as follows: (i) 58,333 shares of time-based restricted stock units on August 22, 2018, (ii) 83,250 PSUs on August 22, 2018 and (iii) 27,750 PSUs on December 31, 2018 (settled in March 2019).
- (2) “Value realized upon vesting” was computed by multiplying the number of shares of stock by the market value of the underlying shares on the vesting date.

Potential Payments Upon Termination or Change in Control

As described under “Summary of Employment Agreements,” above, we have entered into employment agreements with each of our named executive officers that provide for certain payments and other benefits if a named executive officer’s employment with us is terminated under circumstances specified in the respective agreement, including following a “change in control” of the Company. A named executive officer’s rights upon the termination of his or her employment will depend upon the circumstances of the termination.

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The table below sets forth potential benefits that each other named executive officer would have been entitled to receive upon termination of employment under the various circumstances outlined below and assumes the relevant termination event occurred as of December 31, 2018. The actual amounts that would be payable in these circumstances can only be determined at the time of the named executive officer's termination or a change in control and, accordingly, may differ significantly from the estimated amounts set forth in the table below.

Form of Compensation	Potential Payments				
	By the Company Without Cause or by Executive for Good Reason	By the Company for Cause or by Executive Without Good Reason	Termination Following a Change in Control	Death	Disability
Karen Murray					
Cash compensation	\$ 1,200,000	\$ —	\$ —	\$ 450,000	\$ 450,000
Health and welfare benefits	—	—	—	—	—
Accelerated vesting of restricted stock	53,334	—	53,334	—	—
Accelerated vesting of PSUs	—	—	233,506	—	—
Total	\$ 1,253,334	\$ —	\$ 286,840	\$ 450,000	\$ 450,000
Peter Lops					
Cash compensation	\$ 1,180,267	\$ —	\$ —	\$ 199,219	\$ 199,219
Health and welfare benefits	55,505	—	—	—	55,505
Accelerated vesting of restricted stock	60,000	—	60,000	—	—
Accelerated vesting of PSUs	133,334	—	133,334	—	—
Total	\$ 1,429,106	\$ —	\$ 193,334	\$ 199,219	\$ 254,724
Martha Stewart					
Cash compensation	\$ 1,000,000	\$ —	\$ —	\$ 1,000,000	\$ 1,000,000
Health and welfare benefits	36,075	—	—	—	—
Guaranteed payments	2,600,000	2,600,000	—	2,600,000	2,600,000
Legacy payments (a)	—	—	—	—	—
Incentive payments (b)	—	—	—	—	—
Continued provision of office and assistant	420,000	—	—	—	—
Expense reimbursements	4,500,000	—	—	—	—
Total	\$ 8,556,075	\$ 2,600,000	\$ —	\$ 3,600,000	\$ 3,600,000
Andrew Cooper					
Cash compensation	\$ 2,990,625	\$ —	\$ —	\$ 515,625	\$ 515,625
Health and welfare benefits	55,505	—	—	—	55,505
Accelerated vesting of restricted stock	46,675	—	46,675	46,675	46,675
Accelerated vesting of PSUs	189,022	—	189,022	189,022	189,022
Total	\$ 3,281,827	\$ —	\$ 235,697	\$ 751,322	\$ 806,827

(a) Beginning with the calendar year commencing on January 1, 2026, and regardless of any reason for Ms. Stewart's termination, the Company will pay Ms. Stewart 3.5% of Gross Licensing Revenues (as defined in Ms. Stewart's

employment agreement) for each calendar year for the remainder of Ms. Stewart's life (with a minimum of five years of payments, to be made to Ms. Stewart's estate for the period from January 1, 2026 (or, if later, Ms. Stewart's death) through December 31, 2030 if Ms. Stewart dies before December 31, 2030. For each \$1.0 million of Gross Licensing Revenues, Ms. Stewart will receive \$35,000. As of December 31, 2018, the Company is unable to estimate an amount for this payment.

- (b) For each calendar year during the Employment Period (as defined in Ms. Stewart's employment agreement), the Company will pay Ms. Stewart an amount equal to 10% of Gross Licensing Revenues (as defined in Ms. Stewart's employment agreement), earned by the Company during such calendar year in excess of \$46.0 million. For each \$1.0 million above the \$46.0 million threshold, Ms. Stewart will receive \$100,000. There was no payment due for 2018. As of December 31, 2018, the Company is unable to estimate an amount for any potential future payments.

Pay Ratio

The Company has prepared a reasonable estimate, under the applicable SEC rules, of the ratio of the annual total compensation of Ms. Murray, our Chief Executive Officer ("CEO"), to the annual total compensation of our median-

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compensated employee (other than our CEO) for 2018. We determined our median employee for 2018 based on our payroll records using total annual wages and cash-based fringe benefits for our 131 full and part-time employees (excluding the CEO), who were employed as of December 31, 2018. The annual total compensation of our median employee (other than the CEO) for 2018 was \$107,245. Our CEO's total compensation for 2018 was \$1,077,500. The CEO's total compensation for 2018 was approximately 10 times that of the annual total compensation of our median employee.

Compensation and Risk

Our Compensation Committee regularly conducts risk assessments to determine the extent, if any, to which our compensation practices and programs may create incentives for excessive risk taking. Based on these reviews, we believe that the incentive for risk taking is low for the named executive officers and the substantial majority of our employees, because their compensation consists largely of fixed cash salary and a cash bonus that has a capped payout. Furthermore, the majority of these employees do not have the authority to take action on our behalf that could expose us to significant business risks.

In 2018, as part of its assessment, the Compensation Committee reviewed the cash and equity incentive programs for senior executive officers and concluded that certain aspects of our compensation programs actually reduce the likelihood of excessive risk taking. These aspects include the use of long-term equity awards to create incentives for senior executive officers to strive for long-term growth of the Company, policies limiting the incentive to take excessive risk for short-term gains by imposing caps on annual bonuses and requiring compliance with the Code of Ethics.

For these reasons, we do not believe that our compensation policies and practices for our employees create risks that are reasonably likely to have a material adverse effect on us.

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DIRECTOR COMPENSATION

The following table details the total compensation for services rendered in all capacities by the Company's non-employee directors serving on our Board of Directors for the year ended December 31, 2018:

Name	Fees Earned or		Total
	Paid in Cash	Stock Awards(1)	
	(\$)	(\$)	(\$)
Aaron Hollander	\$ 125,000	\$ 100,000	\$ 225,000
Al Gossett	100,000	100,000	200,000
Gary Johnson	100,000	100,000	200,000
Stewart Leonard, Jr.	100,000	100,000	200,000
William Sweedler	—	—	—
Rodney S. Cohen	—	—	—

(1) The amounts in this column represent the grant date fair value with respect to shares of restricted stock calculated in accordance with ASC Topic 718. For additional information on the valuation assumptions with respect to these stock awards, please see Note 15 to our consolidated financial statements included in the 2018 Annual Report. Represents 58,824 shares of restricted common stock granted to each of Mr. Hollander, Mr. Gossett, Mr. Johnson and Mr. Leonard, Jr. on May 3, 2018, pursuant to the 2013 Stock Incentive Plan, which awards will fully vest on the first anniversary date of the day of grant. The amount does not reflect the actual value that may be realized which depends on the value of our shares in the future. As of December 31, 2018, 58,824 shares of restricted stock remained outstanding for each of Mr. Hollander, Mr. Gossett, Mr. Johnson and Mr. Leonard, Jr.

Compensation for non-employee directors was comprised of a mix of cash and equity-based compensation as follows: (i) an annual cash retainer of \$100,000, (ii) an annual cash retainer of \$25,000 for the Audit Committee chairman and (iii) \$100,000 payable in shares of restricted common stock, vesting on the first anniversary date of the date of grant. Our directors are also reimbursed for reasonable out-of-pocket and travel expenses associated with attendance at the meetings of the Board of Directors and the committees thereof. The Compensation Committee reviews director compensation annually and makes a recommendation to the Board of Directors with respect to compensation and benefits provided to the members of the Board of Directors. Mr. Sweedler and Mr. Cohen are principals of two of our largest stockholders and do not receive any compensation for their service on the Board of Directors. An executive officer who serves on our Board of Directors does not receive additional compensation for serving on the Board of Directors. See the "Summary Compensation Table" and "Grants of Plan-Based Awards" for disclosures related to our director and Chief Executive Officer, Ms. Murray, and our director and Chief Creative Officer, Ms. Stewart.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Review and Approval of Related Party Transactions

The Company's Code of Ethics provides that all directors and employees, including executive officers, have a duty to avoid financial, business or other relationships that might cause a conflict of interest with the performance of their duties and that employees should conduct themselves in a manner that avoids even the appearance of conflict between personal interests and those of the Company.

Pursuant to the philosophy of the Code of Ethics, members of the Board of Directors, director nominees, and executive officers are expected to disclose to the Board of Directors any direct or indirect personal interest they may have in a material transaction. Directors also are expected to recuse themselves from participation in any decision in which there is a conflict between their personal interests and the interest of the Company. Approval of any such transaction with respect to any director, director nominee or executive officer may be made only by the Board of Directors or a committee of the Board of Directors. While, the Company does not have a related party transaction policy for persons other than employees and directors and their affiliates, the Company also monitors the material transactions of stockholders who beneficially own greater than 5% of the Company's outstanding shares.

Except as discussed above, the Company has not prescribed any specific standards to be applied when assessing material transactions. There were no instances since January 1, 2018 in which an executive officer, director or director nominee engaged in such a transaction with the Company, either directly or indirectly, without first obtaining approval.

Reportable Related Party Transactions

Consulting Services Agreement with Tengram Capital Partners, L.P. (f/k/a Tengram Capital Management L.P.)

Mr. Sweedler, a director of the Company, is a managing member of Tengram Capital Associates, which is the controlling partner of Tengram Capital Partners Gen2 Fund, L.P. ("Tengram"). Pursuant to an agreement with Tengram Capital Partners, L.P., formerly known as Tengram Capital Management, L.P. ("TCP"), an affiliate of Tengram, the Company had engaged TCP, effective as of January 1, 2013, to provide services to the Company pertaining to (i) mergers and acquisitions, (ii) debt and equity financing and (iii) such other related areas as the Company may reasonably request from time to time (the "TCP Agreement"). TCP was entitled to receive compensation of \$1.0 million, including fees and reimbursement of out-of-pocket expenses in connection with performing its services under the TCP Agreement. The TCP Agreement remains in effect for a period continuing through the earlier of five years or the date on which TCP and its affiliates cease to own in excess of 5% of the outstanding shares of common stock in the Company. On August 15, 2014, the Company consummated transactions pursuant to the agreement and plan of merger, dated as of June 24, 2014 (the "Galaxy Merger Agreement") with SBG Universe Brands LLC, a Delaware limited liability company and our direct wholly-owned subsidiary ("LLC Sub"), Universe Galaxy Merger Sub, Inc., a Delaware corporation and direct wholly-owned subsidiary of LLC Sub, Galaxy and Carlyle (such transactions, collectively the "Galaxy Acquisition"). In connection with the Galaxy Merger Agreement the Company and TCP entered into an amendment to the TCP Agreement (the "Amended TCP Agreement"), pursuant to which, among other things, TCP is entitled to receive annual fees of \$0.9 million beginning with fiscal year 2014. The Company paid TCP \$0.7 million for services under the Amended TCP Agreement in 2018. At December 31, 2018, there was \$0.2 million due to TCP for services.

Additionally, in July 2013, the Company entered into a consulting arrangement with an employee of TCP (the "TCP Employee"), pursuant to which the TCP Employee provides legal and other consulting services at the request of the Company from time to time. The TCP Employee was also issued (i) 125,000 shares of restricted stock, vesting over a

four year period and 180,000 performance stock units, vesting over three years in increments of 20% for 2014, 20% for 2015 and 60% for 2016. During the year ended December 31, 2016, the TCP Employee was granted 200,000 performance stock units, vesting over three years in increments of 33.3% for 2017, 33.3% for 2018 and 33.4% for 2019. During the year ended December 31, 2018, the TCP employee was granted 150,000 shares of time-based restricted stock units, vesting over a three year period and 300,000 shares of time-based restricted stock units, vesting over a three year period with 25% vesting immediately. The Company paid the TCP Employee approximately \$0.3 million for services under this agreement in 2018. At December 31, 2018, less than \$0.1 million was due to the TCP Employee.

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Transactions with Tommie Copper, Inc.

The Company entered into an agreement with Tommie Copper, Inc. (“TCI”), an affiliate of TCP, under which the Company received a vendor placement fee for facilitating certain distribution arrangements. The Company recorded \$3.1 million of revenue for the year ended December 31, 2018. During the year ended December 31, 2018, the Company recorded non-cash interest income of \$0.1 million related to the accretion of the present value of this fee.

Transactions with Centric Brands Inc. (f/k/a Differential Brands Group, Inc.)

During the fourth quarter of 2018, Centric Brands, Inc. (“Centric”) acquired a significant portion of Global Brands Group Holding Limited’s (“GBG”) North American licensing business. The Company entered into an agreement with Centric, an affiliate of TCP, under which the Company received a rights transfer fee of \$4.0 million related to the Joe’s license. Additionally, during the fourth quarter of 2018 the Company recorded approximately \$1.2 million for royalty revenue earned from the Centric license agreement.

Transactions with E.S. Originals, Inc.

A division president of the Company maintains a passive ownership interest in our licensee, E.S. Originals, Inc. (“ESO”). The Company receives royalties from ESO under license agreements for certain of the Company’s brands in the footwear category. The Company recorded approximately \$8.4 million of revenue for the year ended December 31, 2018 for royalties and advertising revenue earned from ESO license agreements.

The Company entered into an agreement with ESO under which the Company received a sales commission. The Company recorded \$3.0 million of revenue for the year ended December 31, 2018.

In addition, the Company entered into a license-back agreement with ESO under which the Company reacquired the rights to certain international territories in order to re-license these rights to an unrelated party. The Company recorded approximately \$0.3 million in license-back expense for the year ended December 31, 2018.

Acquisition of FUL

On November 17, 2014, the Company made a strategic investment in FUL IP Holdings, LLC (“FUL IP”). FUL IP is a collaborative investment between the Company and JALP, LLC (“JALP”). FUL IP was formed for the purpose of licensing the FUL trademark to third parties in connection with the manufacturing, distribution, marketing and sale of FUL branded bags, backpacks, duffels, luggage and apparel accessories. JALP contributed the FUL trademark with a fair value of approximately \$8.9 million. In exchange for a 50.5% economic interest in FUL IP the Company paid JALP \$4.5 million. JALP’s minority member interest in FUL IP has been reflected as noncontrolling interest on the Company’s consolidated balance sheets. One of the Company’s directors, Mr. Al Gossett, has a partial ownership interest in JALP. There was \$0.7 million of noncontrolling interest loss recorded during the year ended December 31, 2018. The Company made a \$1.0 million distribution to JALP during the year ended December 31, 2018.

Agreements with Ms. Stewart

In connection with the transactions contemplated by the Company’s acquisition of MSLO, MSLO entered into an Amended and Restated Asset License Agreement (“Intangible Asset Agreement”) and Amended and Restated Intellectual Property License and Preservation Agreement (“IP License Agreement” and, together with the Intangible Asset Agreement, the “IP Agreements”) pursuant to which Ms. Stewart, a director and Chief Creative Officer of the Company, licensed certain intellectual property to MSLO. The IP Agreements grant the Company the right to the use of certain properties owned by Ms. Stewart.

Explanation of Responses:

The Intangible Asset Agreement has an initial term commencing on December 4, 2015 and ending on December 31, 2020, provided that the term will automatically be renewed for five additional calendar years ending December 31, 2025 (subject to earlier termination as provided in the employment agreement) if either the aggregate gross licensing revenues

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(as defined in Ms. Stewart's employment agreement) for calendar years 2018 through 2020 exceed \$195 million or the gross licensing revenues for calendar year 2020 equal or exceed \$65 million.

During the term of the Intangible Asset Agreement with the Company, Lifestyle Research Center LLC will be entitled to receive a guaranteed annual payment of \$1.7 million, which amounts are being paid in connection with the acquisition of MSLO regardless of Ms. Stewart's continued employment with the Company, plus reimbursable expenses. The Company paid Lifestyle Research Center LLC \$2.1 million in 2018.

During the term of the IP License Agreement with the Company, Ms. Stewart will be entitled to receive a guaranteed annual payment of \$1.3 million which amounts are being paid in connection with the acquisition of MSLO regardless of Ms. Stewart's continued employment with the Company. The Company paid \$1.3 million to Ms. Stewart in 2018 in connection with the terms of the IP License Agreement. The IP License Agreement is perpetual.

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REPORT OF THE AUDIT COMMITTEE

The Audit Committee has furnished the following report:

The Audit Committee is composed of three independent directors, each of whom, in the Board of Directors' business judgment, is "independent" within the meaning of Rule 5605(a)(2) of the Nasdaq Stock Market's Listing Rules and the applicable rules and regulations of the SEC. On behalf of the Board of Directors, the Audit Committee oversees the Company's accounting, auditing and financial reporting processes. The Audit Committee's function is one of oversight, recognizing that the management of the Company has the primary responsibility for the Company's financial statements as well as the Company's financial reporting processes, principles and internal controls. The Company's independent registered public accounting firm, CohnReznick LLP (the "Auditors") is responsible for performing an audit of the Company's consolidated financial statements in accordance with generally accepted accounting principles, issuing a report relating to their audit and expressing an opinion as to the conformity of such financial statements with generally accepted accounting principles.

In fulfilling its responsibilities with respect to the financial statements for the fiscal year 2018, the Audit Committee:

- reviewed and discussed the audited consolidated financial statements for the year ended December 31, 2018 with management and the Auditors and reviewed and assessed the effectiveness of the Company's internal control over financial reporting and the Auditors' audit of the Company's internal control over financial reporting;
- reviewed and discussed with the Auditors the matters that independent registered public accounting firms are required to discuss with audit committees under applicable Public Company Accounting Oversight Board standards;
- received written disclosures and the letter from the Auditors regarding the Auditors' independence as required by applicable requirements of the Public Company Accounting Oversight Board and the SEC, and has discussed with the Auditors their independence; and
- considered whether the Auditors' provision of non-audit services is compatible with maintaining their independence, and concluded that the non-audit services provided by the Auditors do not impair their independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the Company's audited consolidated financial statements for the year ended December 31, 2018 be included in its 2018 Annual Report on Form 10 K. The Audit Committee has selected CohnReznick LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2019, and has asked the stockholders to ratify the selection.

The Audit Committee reviews and assesses the adequacy of its charter on an annual basis. While the Audit Committee believes that the charter in its present form is adequate, it may in the future recommend to the Board of Directors amendments to the charter to the extent it deems necessary to react to changing conditions and circumstances.

Aaron Hollander, Chair
Al Gossett
Stewart Leonard, Jr.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table presents information regarding the beneficial ownership of our common stock as of April 17, 2019 (except where otherwise noted below) by:

- each of the named executive officers listed in the summary compensation table;
- each of our directors and our director nominees;
- all of our directors and executive officers as a group; and
- each stockholder known to us to be the beneficial owner of more than 5% of our common stock.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares of our common stock subject to options, warrants and other derivative securities that are currently exercisable or convertible, or exercisable or convertible within 60 days of April 17, 2019 are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants or other convertible security for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

The information presented in this table is based on 64,585,564 shares of our common stock outstanding on April 17, 2019. Unless otherwise indicated, the address of each of the executive officers and directors and beneficial owners of greater than 5% of our common stock named below is c/o Sequential Brands Group, Inc., 601 West 26th Street, 9th Floor, New York, New York 10001.

Executive Officers and Directors:

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Outstanding	
Karen Murray(1) Director, Chief Executive Officer and Secretary	267,315	*	
William Sweedler(2) Chairman of the Board of Directors	8,794,571	13.6	%
Martha Stewart(3) Director, Chief Creative Officer	8,305,187	12.9	%
Al Gossett(4) Director	796,271	1.2	%
Gary Johnson(5) Director	241,383	*	
Stewart Leonard, Jr.(6) Director	307,465	*	
Aaron Hollander(7) Director	144,819	*	
Rodney S. Cohen Director	—	*	
Peter Lops(8) Chief Financial Officer	35,204	*	
Andrew Cooper(9) President	148,235	*	
Directors and executive officers as a group (ten persons)(13)	19,040,450	29.4	%

Explanation of Responses:

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Greater Than 5% Beneficial Owners:

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Outstanding	
Prescott Group Capital Management(12)	8,760,706	13.6	%
Martha Stewart Family Limited Partnership(3)	8,032,910	12.4	%
Tengram Capital Partners Gen2 Fund, L.P.(2)	7,619,178	11.8	%
Carlyle Galaxy Holdings, L.P.(10)	6,369,812	9.9	%
683 Capital Management, Inc.(11)	3,356,200	5.2	%

*Less than 1%

- (1) Consists of 267,315 shares of common stock, of which (i) 224,585 shares of common stock are directly beneficially owned by Ms. Murray, and (ii) 42,730 shares of common stock owned by Ms. Murray's spouse.
- (2) Consists of 6,628,572 shares of common stock held by TCP WR, 733,333 shares of common stock held by TCP Acquisition and 257,273 shares of common stock held by TCP SQBG II LLC ("TCP II"), as reported in the Schedule 13D filed on December 8, 2015. Each of these entities reported having shared voting and investment power over their respective shares. Our chairman, Mr. William Sweedler, as a managing member of TCA, which is the general partner of Tengram Capital Partners Gen2 Fund, L.P., which is the managing member of each of TCP WR, TCP Acquisition and TCP II, may exercise voting and investment authority over (i) the shares held by TCP WR, (ii) the shares held by TCP Acquisition and (iii) the shares held by TCP II. Each of TCA, Tengram and Mr. Sweedler disclaim beneficial ownership of such shares of common stock except to the extent of his pecuniary interest therein. Mr. Sweedler is also the beneficial owner of 59,165 shares of common stock held by Madcat II, LLC, of which Mr. Sweedler is the managing member. Mr. Sweedler disclaims beneficial ownership of the shares of common stock held by Madcat II, LLC, except to the extent of his pecuniary interest therein. Mr. Sweedler is also the beneficial owner of 1,020,290 shares of common stock. The address of Mr. Sweedler, TCA, Tengram, TCP WR, TCP Acquisition and TCP II is 15 Riverside Avenue, Floor 1, Westport, CT 06880.
- (3) Shares reported as beneficially owned by Ms. Stewart represent 198,798 shares of common stock held by Ms. Stewart, 9,585 shares of common stock held by the Martha Stewart 1999 Family Trust (the "1999 Family Trust"), 11,981 shares of common stock held by the Martha Stewart 2000 Family Trust (the "2000 Family Trust"), 51,913 shares of common stock held by the Martha and Alexis Stewart Charitable Foundation (the "Foundation") and 8,032,910 shares of common stock held by the Martha Stewart Family Limited Partnership ("MSFLP"), as reported in the Schedule 13D filed on December 14, 2015. MSFLP reported having shared voting and investment power over its shares. Our director, Ms. Martha Stewart, is a co-trustee of the 1999 Family Trust and holds sole decision-making authority with respect to investment of the assets of such trust, a co-trustee of the 2000 Family Trust, a co-trustee of the Foundation and the sole trustee of the Martha Stewart 2012 Revocable Trust, the sole general partner of MSFLP. The address of MSFLP is 48 Girdle Ridge Road, Katonah, NY 10536.
- (4) Consists of 796,271 shares of common stock, of which (i) 109,091 were purchased in the private placement transaction consummated on July 26, 2013 and are directly beneficially owned by Mr. Gossett, (ii) 628,356 shares of common stock which are directly beneficially owned by Mr. Gossett and (iii) 58,824 shares are restricted common stock that vest within 60 days.
- (5) Consists of 241,383 shares of common stock, of which (i) 182,559 shares of common stock are directly beneficially owned by Mr. Johnson and (ii) 58,824 shares are restricted common stock that vest within 60 days.
- (6) Consists of 307,465 shares of common stock, of which (i) 248,641 shares of common stock are directly beneficially owned by Mr. Leonard, Jr. and (ii) 58,824 shares are restricted common stock that vest within 60 days.
- (7) Consists of 144,819 shares of common stock, of which (i) 85,995 shares of common stock are directly beneficially owned by Mr. Hollander and (ii) 58,824 shares are restricted common stock that vest within 60 days.

Explanation of Responses:

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- (8) Consists of 35,204 shares of common stock that are directly beneficially owned by Mr. Lops.
- (9) Consists of 148,235 shares of common stock that are directly beneficially owned by Mr. Cooper.
- (10) Based on the Schedule 13D filed on December 8, 2015. Carlyle Galaxy Holdings L.P. has the right to nominate one director for election by our stockholders, pursuant to a letter agreement with the Company dated June 24, 2014, for so long as it and its affiliates hold at least 33% of the shares acquired by it in connection with our acquisition of Galaxy Brands Holdings, Inc. Carlyle Group Management L.L.C. is the general partner of The Carlyle Group L.P., which is a publicly traded entity listed on the Nasdaq. The Carlyle Group L.P. is the managing member of Carlyle Holdings II GP L.L.C., which is the general partner of Carlyle Holdings II L.P., which is the general partner of TC Group Cayman Investment Holdings, L.P., which is the general partner of TC Group Cayman Investment Holdings Sub L.P., which is the managing member of Carlyle Equity Opportunity GP, L.L.C., which is the general partner of Carlyle Equity Opportunity GP, L.P., which is the general partner of Carlyle Galaxy Holdings, L.P. Accordingly, each of the foregoing entities may be deemed to share beneficial ownership of the shares of common stock owned of record by Carlyle Galaxy Holdings, L.P. and reported having shared voting and investment power over these shares. The address of TC Group Cayman Investment Holdings, L.P., and TC Group Cayman Investment Holdings Sub L.P. is c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue George Town, Grand Cayman, E9 KY1 9005. The address of each of the other entities mentioned in this footnote is c/o The Carlyle Group, 1001 Pennsylvania Ave. NW, Suite 220 South, Washington, DC 20004.
- (11) Based on the Schedule 13G/A filed by 683 Capital Management, Inc. on February 14, 2019. 683 Capital Management, Inc. reported having shared voting and investment power over all of the shares included in the table above. The address of 683 Capital Management, Inc. is 5 Bryant Park, 30th Floor, New York, NY 10018.
- (12) Based on the Schedule 13G/A filed jointly by Prescott Group Capital Management, L.L.C., et al., on February 11, 2019. The entities of Prescott Group Capital Management, L.L.C., et al., that hold our common shares reported their beneficial ownership as follows: (i) Prescott Group Capital Management, L.L.C. has sole voting and dispositive power over all of the shares included in the table above; (ii) Prescott Group Aggressive Small Cap, L.P. has shared voting and dispositive power over all of the shares included in the table above; (iii) Prescott Group Aggressive Small Cap II, L.P. has shared voting and dispositive power over all of the shares included in the table above; and (iv) Phil Frohlich has sole voting and dispositive power over all of the shares included in the table above. The address of Prescott Group Capital Management, L.L.C., et al, is 1924 South Utica, Suite 1120, Tulsa OK 74104.
- (13) Includes 235,296 shares of restricted common stock that vest within 60 days.

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PROPOSAL NO. 2

RATIFICATION OF SELECTION OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has approved the appointment of CohnReznick LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019. We have been advised by CohnReznick LLP that it is an independent registered public accounting firm with the Public Company Accounting Oversight Board, and complies with the auditing, quality control and independence standards and rules of the Public Company Accounting Oversight Board.

While the Audit Committee retains CohnReznick LLP as our independent registered public accounting firm, the Board of Directors is submitting the selection of CohnReznick LLP to our stockholders for ratification upon recommendation to do so by the Audit Committee and as a matter of good corporate governance.

Unless contrary instructions are given, shares represented by proxies solicited by the Board of Directors will be voted for the ratification of the selection of CohnReznick LLP as our independent registered public accounting firm for the year ending December 31, 2019. If the selection of CohnReznick LLP is not ratified by affirmative vote of the majority of the shares present or represented by proxy at the Annual Meeting and entitled to vote on this proposal, the Audit Committee will review its future selection of an independent registered public accounting firm in the light of that vote result. Even if the selection of CohnReznick LLP is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change is in our best interests.

CohnReznick LLP has no financial interest of any kind in the Company, except the professional relationship between auditor and client. Representatives of CohnReznick LLP will be invited to attend the Annual Meeting. If a representative of CohnReznick LLP does attend the Annual Meeting, the representative will have an opportunity to make a statement if he or she so chooses, and will be available to respond to questions from stockholders.

Audit and Non-Audit Fees

Aggregate fees for professional services rendered by our independent auditors, CohnReznick LLP, for 2018 and 2017 are set forth in the table below.

	2018	2017
Audit fees	\$ 423,870	\$ 434,025
Audit-related fees	—	74,000
Tax fees	—	—
All other fees	—	—
Total	\$ 423,870	\$ 508,025

Audit Fees

Audit fees include fees for the audit of our consolidated financial statements, the audit of our internal control over financial reporting and reviews of our unaudited consolidated interim financial statements.

Audit-Related Fees

Fees for audit-related services, including for assurance and related services reasonably related to the performance of the audit or review of our financial statements. These fees relate to assurance services performed in connection with the Company's acquisitions.

Tax Fees

Tax fees include professional services in connection with tax compliance and advice.

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All Other Fees

This category consists of services provided by CohnReznick LLP that are not included in the categories above under “Audit Fees,” “Audited-Related Fees” and “Tax Fees.”

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee approves in advance audit and non-audit services to be provided by our independent registered public accounting firm. Any service proposals submitted by our independent registered public accounting firm must be discussed and approved by the Audit Committee during its meetings. Once a proposed service is approved, we or our subsidiaries formalize the engagement of the service. No tax services were approved by the Board of Directors in accordance with Item 2 01(c)(7)(i)(C) of Regulation S-X during the fiscal years ended December 31, 2018 and 2017.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR”
RATIFICATION OF SELECTION OF COHNREZNICK LLP AS OUR INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2019

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PROPOSAL NO. 3

TO APPROVE, ON AN ADVISORY BASIS, NAMED EXECUTIVE OFFICER COMPENSATION

We currently hold an advisory vote to approve executive compensation on an annual basis, which aligns with our stockholders' recommendation at Old Sequential's 2013 annual meeting. Accordingly, pursuant to Securities Exchange Act Section 14A we are seeking an advisory stockholder vote to approve the compensation of our named executive officers as disclosed in this Proxy Statement. This proposal, also referred to as "say-on-pay," gives stockholders the opportunity to approve, reject or abstain from voting with respect to our fiscal 2018 executive compensation programs and policies for the named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers as described in this Proxy Statement. In evaluating this say-on-pay proposal, we recommend that you review "Compensation Discussion and Analysis" and the "Executive Compensation" sections of this Proxy Statement, as well as the accompanying tables and related narratives.

Our executive compensation program is simple in design and is structured to help recruit, retain and motivate a highly talented team of executives with the requisite set of skills and experience to successfully lead us in creating value for our stockholders. Our executive compensation and benefit programs are designed to reward increased stockholder value and the achievement of key operating objectives.

Because your vote on this proposal is advisory, it will not be binding on us, the Compensation Committee or the Board of Directors. However, the Compensation Committee and the Board of Directors will take into account the outcome of the vote when considering future executive compensation arrangements. Further, your advisory vote will serve as an additional tool to guide the Board of Directors and the Compensation Committee in continuing to improve the alignment of the Company's executive compensation programs with the interests of its stockholders, and is consistent with our commitment to high standards of corporate governance. Accordingly, we are asking you to endorse our executive compensation program by voting for the following resolution:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Executive Compensation section, compensation tables and narrative discussion included in this proxy statement, is hereby APPROVED.

The affirmative vote of the majority of the shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve the advisory resolution on the Company's named executive officer compensation.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE APPROVAL OF THE NON-BINDING ADVISORY RESOLUTION ON THE COMPANY'S NAMED EXECUTIVE OFFICER COMPENSATION FOR THE REASONS OUTLINED ABOVE

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PROPOSAL NO. 4

TO APPROVE, ON AN ADVISORY BASIS, THE FREQUENCY OF FUTURE ADVISORY VOTES ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

In accordance with the Dodd-Frank Act and Securities Exchange Act Section 14A, we are seeking an advisory stockholder vote on whether an advisory say-on pay-vote should be held every year, every two years or every three years. Stockholders may also abstain from making a choice. This proposal is commonly known as a “say-on-frequency” proposal. The Dodd-Frank Act requires that we submit to our stockholders not less frequently than every six years thereafter the say-on-frequency vote.

After carefully considering the benefits and potential consequences of each option for the frequency of submitting the advisory vote on the compensation of our named executive officers to stockholders, the Board of Directors has determined, as it previously determined in 2013, that holding such advisory vote EVERY YEAR is the most appropriate policy for the Company at this time. In formulating this recommendation, the Board of Directors recognized that an annual advisory say-on-pay vote would provide the highest level of accountability and promote direct and immediate feedback by enabling the non-binding say-on-pay vote to correspond with the most recent executive compensation information presented in our Proxy Statement. While the Company’s executive compensation programs are designed to promote a long-term connection between pay and performance, executive compensation disclosures are made annually and the Board of Directors believes that an annual advisory vote on executive compensation is consistent with the Company’s commitment to seeking timely input and engaging in dialogue with our stockholders on corporate governance matters and our executive compensation philosophy, policies and practices. Stockholders should consider the value of having the opportunity every year to voice their opinion on the Company’s executive compensation through an advisory vote, weighing that against the additional burden and expense to the Company and stockholders of preparing and responding to proposals annually, as well as the other means available to stockholders to provide input on executive compensation. We welcome stockholder input and anticipate that the value of an annual vote will likely outweigh the burden of preparing annual proposals.

Stockholders are not voting to approve or disapprove the Board of Directors’ recommendation. Stockholders will be able to specify one of four choices for this proposal on the proxy card: “1 Year,” “2 Years,” “3 Years” or “Abstain.” The option that receives the highest number of votes cast by our stockholders will be the frequency for the advisory vote on executive compensation that has been selected by our stockholders. Because your vote on this proposal is advisory, it will not be binding on us, the Board of Directors or the Compensation Committee. Nevertheless, our Board of Directors will review and consider the outcome of this vote when making determinations as to the frequency of say-on-pay votes and may decide, based on factors such as discussions with stockholders and the adoption of material changes to compensation programs, that it is in the best interest of our stockholders to hold a say-on-pay vote more or less frequently than the option approved by our stockholders.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS

THAT YOU VOTE “1 YEAR” FOR THE REASONS OUTLINED ABOVE

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PROPOSAL NO. 5

STOCKHOLDER PROPOSAL TO IMPLEMENT A SIMPLE MAJORITY VOTING STANDARD IN OUR GOVERNANCE DOCUMENTS

Kenneth Steiner (the “proponent”) of 14 Stoner Ave, 2M, Great Neck, NY 11021 (the beneficial owner of no less than 3,000 shares of our common stock), has advised the Company that he plans to present the following proposal at the annual meeting. If properly presented at the annual meeting by or on behalf of the proponent, the Board of Directors unanimously recommends a vote “AGAINST” the following stockholder proposal. We have included the proponent’s proposal in this proxy statement pursuant to SEC rules, and the Board of Director’s response to it follows.

The Proponent’s Proposal

Proposal No. 5 – Simple Majority Vote

RESOLVED, Shareholders request that our board take each step necessary so that each voting requirement in our charter and bylaws that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws. It is important that our company take each step necessary to adopt this proposal topic completely.

Shareowners are willing to pay a premium for shares of companies that have excellent corporate governance. Supermajority voting requirements have been found to be one of 6 entrenching mechanisms that are negatively related to company performance according to “What Matters in Corporate Governance” by Lucien Bebchuk, Alma Cohen and Allen Ferrell of the Harvard Law School. Supermajority requirements are used to block initiatives supported by most shareowners but opposed by a status quo management.

This proposal topic won from 74% to 88% support at Weyerhaeuser, Alcoa, Waste Management, Goldman Sachs, FirstEnergy, McGraw-Hill and Macy’s. The proponents of these proposals included Ray T. Chevedden and William Steiner.

Currently a 1%-minority can frustrate the will of our 79%-shareholder majority. In other words a 1%-minority could have the power to prevent shareholders from improving management accountability. Currently the role of Sequential Brands shareholders is diminished because management can declare as worthless and useless a 79%-vote of shareholders on certain issues.

Adoption of this proposal will also facilitate a transition to one-year terms for directors. The 2 directors who stood for an unopposed 2017 election received higher than usual negative votes. With such shareholder dissatisfaction these directors do not deserve to run for election only once in 3-years. Plus our stock was trading at less than \$1. The shareholder say on executive pay vote was only 81% when such a vote is usually higher than 90% at most companies.

Please vote yes:

Simple Majority Vote — Proposal No. 5

The Board of Directors will oppose this proposal if it is properly presented at the Annual Meeting and recommends a vote AGAINST this proposal for the following reasons:

Explanation of Responses:

The Board of Directors recommends that stockholders vote against this stockholder proposal for a number of reasons, as discussed below. After careful consideration, the Board of Directors has determined that adopting this proposal would not serve to enhance stockholder value and, therefore, it is not in the best interests of the Company or its stockholders.

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Voting Thresholds.

A majority of the shares represented in person or by proxy and entitled to vote is already the voting standard for electing the Company's directors in uncontested director elections under the Company's existing Amended and Restated Certificate of Incorporation (the "Certificate") and Amended and Restated Bylaws (collectively with the Certificate, the "Governance Documents"). The approval of 80% of outstanding shares is required under the Governance Documents only for certain fundamental changes to the Company's corporate governance, including amendments to the Governance Documents, and changes to voting rights.

Benefit to Stockholders of Supermajority Provisions.

Delaware law permits companies to adopt supermajority voting requirements, and a number of publicly-traded companies have adopted these provisions to preserve and maximize long-term value for all stockholders. Supermajority voting requirements on fundamental corporate matters help to protect stockholders against self-interested and potentially abusive actions proposed by certain stockholders who may seek to advance their interests over the interests of the majority of the Company's stockholders. For example, if the stockholder proposal were implemented, key aspects of the Governing Documents could be amended almost unilaterally by certain stockholders. The Board of Directors believes that the current supermajority voting standard is preferable because it encourages these stockholders to reach a consensus with our other stockholders, which requires them to take into account the interests of all of the Company's stockholders and not sacrifice the long-term success of the Company for short-term benefits. Moreover, stockholders voted on a nearly identical proposal at the Company's 2018 annual meeting of stockholders, where the stockholder proposal only received 36% support.

The Company has a Strong Corporate Governance Structure.

The Company's Board of Directors is firmly committed to good corporate governance and has adopted a wide range of practices and procedures that promote effective Board of Directors oversight. The Board of Directors believes that the corporate governance concerns raised by the proponent are misplaced. Some of the Company's progressive governance policies and practices include the following:

- the Board of Directors has established a separately designated Audit Committee, Compensation Committee, and Governance Committee, each of which is comprised solely of independent directors
- the Governance Committee evaluates each director and makes a recommendation to the Board of Directors on the nomination of each for election
- the Governance Committee and Board of Directors considers nominees recommended by stockholders
- directors are elected by a majority of shares represented in person or by proxy and entitled to vote in uncontested elections
- the positions of Chairman of the Board of Director and Chief Executive Officer are separated

Consistent with its current practice, the Board of Directors will continue to evaluate the future implementation of appropriate corporate governance measures. However, for the reasons discussed above, the Board of Directors does not believe it is in the best interests of stockholders or the Company to implement the stockholder proposal's request for the lowest possible voting all matters on which stockholders vote.

FOR THESE REASONS, THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "AGAINST" THE STOCKHOLDER PROPOSAL TO IMPLEMENT A SIMPLE MAJORITY VOTING STANDARD IN OUR GOVERNANCE DOCUMENTS.

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OTHER PROPOSALS

As of the date of this Proxy Statement, we are not aware of any other matters that may be presented for action at the Annual Meeting and we do not intend to bring any other matters before the Annual Meeting. However, if any other matters properly come before the Annual Meeting, the persons named in the accompanying proxy will, in the absence of contrary instructions, have discretionary authority to vote the shares represented by such proxy according to their best judgment.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires that our executive officers and directors, and beneficial owners of more than 10% of a registered class of our equity securities “reporting persons” file initial reports of beneficial ownership and reports of changes in beneficial ownership with the SEC. Reporting persons are required by SEC regulations to furnish us with all Section 16(a) forms they file.

Based solely on our review of the copies of such reports received by us and written representations from certain reporting persons, we believe that all reporting persons complied with these reporting requirements during fiscal year ended December 31, 2018 except for the following late reports, each of which was due to an administrative error: three late reports by Mr. Leonard (two reporting one purchase of stock and one reporting two purchases of stock), and a late report by Mr. Cooper reporting a PSU grant. The Company is not aware of any other instances of noncompliance with the Section 16(a) filing requirements by any reporting person during the year ended December 31, 2018.

STOCKHOLDER PROPOSALS FOR THE 2020 ANNUAL MEETING

Stockholder proposals intended to be included in our proxy statement under Rule 14a-8 under the Exchange Act and voted on at our 2020 annual meeting of stockholders must be received at our corporate headquarters at Sequential Brands Group, Inc., 601 West 26th Street, 9th Floor, New York, New York 10001, on or before the close of business on December 28, 2019. Applicable SEC rules and regulations govern the submission of stockholder proposals and our consideration of them for inclusion in the 2020 notice of annual meeting of stockholders and the 2020 proxy statement.

Pursuant to the Bylaws and applicable SEC rules and regulations, in order for any business not included in the proxy statement for the 2020 annual meeting of stockholders to be brought before such meeting by a stockholder entitled to vote at the meeting, the stockholder must give timely notice to us at our principal offices no earlier than the close of business on February 8, 2020 (120 days prior to June 7, 2020, the one year anniversary of the Annual Meeting) and no later than the close of business on March 9, 2020 (90 days prior to June 7, 2020). However, if the date of the 2020 annual meeting is more than 30 days before or more than 60 days after the one year anniversary of the Annual Meeting, notice to be timely must be so delivered not earlier than the close of business on the 120th day before the 2020 annual meeting and not later than the close of business on the later of the 90th day before the 2020 annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. The notice must contain the information required by the Bylaws. The foregoing Bylaws provisions do not affect a stockholder’s ability to request inclusion of a proposal in our proxy statement within the procedures and deadlines set forth in Rule 14a-8 of the SEC’s proxy rules and referred to in the paragraph above. A proxy may confer discretionary authority to vote on any matter at an annual meeting if we do not receive notice of the matter within the time frames described above.

A copy of the Bylaws is available upon request to: Secretary c/o Sequential Brands Group, Inc., 601 West 26th Street, 9th Floor, New York, New York 10001. The chairperson of the 2020 annual meeting of stockholders may exclude

matters that are not properly presented in accordance with these requirements.

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ANNUAL REPORT

The 2018 Annual Report, which is not a part of our proxy soliciting materials, is being mailed with this proxy statement to those stockholders that received a copy of the proxy materials in the mail. For those stockholders that received the Notice of Internet Availability of Proxy Materials, this proxy statement and our 2018 Annual Report are available on our website at www.sequentialbrandsgroup.com in the Section titled “Investor Information — SEC Filings.”

Additionally, and in accordance with SEC rules, you may access our proxy statement at www.investorvote.com/SQBG, a “cookie-free” website that does not identify visitors to the site. A copy of the Company’s 2018 Annual Report filed with the SEC will be provided to stockholders without charge upon written request directed to our Secretary at c/o Sequential Brands Group, Inc., 601 West 26th Street, 9th Floor, New York, New York 10001. The Company’s copying costs will be charged if exhibits to the 2018 Annual Report are requested. The Company also makes available on or through our website free of charge our Annual Reports on Form 10 K, Quarterly Reports on Form 10 Q, Current Reports on Form 8 K and all amendments to such reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after filing.

By Order of the Board of Directors

/s/ William Sweedler
William Sweedler
Chairman of the Board of Directors

New York, New York
April 26, 2019

PLEASE PROMPTLY VOTE. IF YOU HAVE RECEIVED A NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS, YOU SHOULD FOLLOW THE INSTRUCTIONS FOR VOTING PROVIDED IN THAT NOTICE. IF YOU REQUESTED A HARD COPY OF THE PROXY STATEMENT, FILL IN, DATE AND SIGN THE ENCLOSED PROXY CARD AND MAIL IT PROMPTLY IN THE ENVELOPE PROVIDED. IF YOU ARE A STOCKHOLDER OF RECORD, YOU MAY REVOKE YOUR PROXY AT ANY TIME BEFORE THE ANNUAL MEETING EITHER BY FILING WITH THE CORPORATE SECRETARY OF SEQUENTIAL BRANDS GROUP, INC., AT OUR PRINCIPAL EXECUTIVE OFFICES, A WRITTEN NOTICE OF REVOCATION OR A DULY EXECUTED PROXY BEARING A LATER DATE, OR BY ATTENDING THE ANNUAL MEETING AND EXPRESSING A DESIRE TO VOTE YOUR SHARES IN PERSON. IF YOU HOLD YOUR SHARES IN STREET NAME, YOU MAY CHANGE YOUR VOTE BY SUBMITTING NEW VOTING INSTRUCTIONS TO YOUR BROKER, BANK OR OTHER NOMINEE. YOU MUST CONTACT YOUR BROKER, BANK OR OTHER NOMINEE TO FIND OUT HOW TO DO SO. ATTENDANCE AT THE ANNUAL MEETING WILL NOT IN AND OF ITSELF REVOKE A PROXY.

THE ANNUAL MEETING WILL BE HELD ON JUNE 7, 2019.

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Reservation Form for Sequential Brands Group, Inc. 2019 Annual Meeting of Stockholders

Stockholders who expect to attend the Annual Meeting on June 7, 2019, at 10:00 a.m. at our corporate headquarters should complete this form and return it to the Secretary, c/o Sequential Brands Group, Inc., 601 West 26th Street, 9th Floor, New York, New York 10001. Please be prepared to show proof of identification at the check-in desk at the meeting. Stockholders holding stock in brokerage accounts will need to bring a copy of a brokerage statement reflecting Sequential Brands Group, Inc. common stock ownership as of April 17, 2019.

Name
(Please
Print)

Address
(Please
Print)

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Sequential brands group VOTE Your vote matters – here’s how to vote! You may vote online or by phone instead of mailing this card. Votes submitted electronically must be received by 11:59 p.m., Eastern Time, on June 6, 2019. Online Go to www.investorvote.com/SQBG or scan the QR code — login details are located in the shaded bar below. Phone Call toll free 1-800-652-VOTE (8683) within the USA, US territories and Canada Save paper, time and money! Sign up for electronic delivery at www.investorvote.com/SQBG Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas. q IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q AGAINST Proposal 5. + 1. Election of Class II Directors: For Against Abstain For Against Abstain For Against Abstain 01 - Rodney Cohen 02 - Stewart Leonard, Jr. 03 - Gary Johnson For Against Abstain For Against Abstain 2. To ratify the selection of CohnReznick LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019. 5. Stockholder proposal to implement a majority voting standard in our governance documents if properly presented at the meeting. For Against Abstain 3. To approve, on an advisory basis, the compensation of our named executive officers. 1 Year 2 Years 3 Years Abstain 4. To approve, on an advisory basis, the frequency of future advisory votes on the compensation of our named executive officers. Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title. Date (mm/dd/yyyy) — Please print date below. Signature 1 — Please keep signature within the box. Signature 2 — Please keep signature within the box. + 1 U P X 0316NE B Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below A Proposals — The Board recommends a vote FOR each nominee listed in Proposal 1, FOR Proposals 2 and 3, 1 YEAR on Proposal 4, and Annual Meeting Proxy Card

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2019 Annual Meeting Admission Ticket 2019 Annual Meeting of Sequential Brands Group, Inc. Stockholders
Friday, June 7, 2019 10:00 am Eastern Time Sequential Brands Group, Inc. Corporate Office 601 West 26th Street,
9th Floor, New York, NY 10001 Upon arrival, please present this admission ticket and photo identification at the
registration desk. Important notice regarding the Internet availability of proxy materials For the Annual Meeting of
Stockholders To Be Held on June 7, 2019. The 2019 Proxy Statement and the 2018 Annual Report to Stockholders
are available at: www.investorvote.com/SQBG q IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE
BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q + Notice of 2019 Annual Meeting of Stockholders 601
West 26th Street, 9th Floor, New York, NY 10001 Proxy Solicited by Board of Directors for Annual Meeting — June
7, 2019 The stockholder(s) hereby revoke(s) all prior proxies and appoint(s) Karen Murray and Peter Lops, or any of
them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned,
with all the powers which the undersigned would possess if personally present, at the Annual Meeting of
Stockholders of Sequential Brands Group, Inc. to be held on June 7, 2019 or at any postponement or adjournment
thereof (including, if applicable, on any matter which the Board of Directors did not know would be presented at the
Annual Meeting by a reasonable time before the proxy solicitation was made or for the election of a person to the
Board of Directors if any nominee named in Proposal 1 becomes unable to serve or for good cause will not serve).
The undersigned hereby revokes any proxy heretofore given to vote said shares, and hereby ratifies all that said
proxies at the Annual Meeting or any adjournment or postponement thereof. Shares represented by this proxy, when
this proxy is properly signed, will be voted as indicated by the stockholder. If no such directions are indicated, the
proxies will have authority to vote FOR each nominee listed in Proposal 1, FOR Proposals 2 and 3, 1 YEAR on
Proposal 4, and AGAINST Proposal 5. In their discretion, the proxies are authorized to vote upon such other
business as may properly come before the Annual Meeting or at any postponement or adjournment thereof. (Items to
be voted appear on reverse side.) Change of Address — Please print new address below. Comments — Please print your
comments below. Meeting Attendance Mark box to the right if you plan to attend the Annual Meeting. + C
Non-Voting Items Proxy — Sequential Brands Group, Inc. Small steps make an impact. Help the environment by
consenting to receive electronic delivery, sign up at www.investorvote.com/SQBG
