

HELEN OF TROY LTD
Form DEF 14A
September 14, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

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HELEN OF TROY LIMITED

(Name of Registrant as Specified in its Charter)

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

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HELEN OF TROY LIMITED

Clarendon House

Church Street

Hamilton, Bermuda

September 16, 2011

Dear Shareholders:

It is my pleasure to invite you to the 2011 Annual General Meeting of the Shareholders of Helen of Troy Limited. The meeting will be held at 1:00 p.m., Mountain Daylight Time, on Tuesday, October 11, 2011, at the Camino Real Hotel, 101 S. El Paso Street, El Paso, Texas. In addition to the business to be transacted at the meeting, members of management will present information about the Company's operations and will be available to respond to your questions.

We encourage you to help us reduce printing and mailing costs, and conserve natural resources **by signing up for electronic delivery of our shareholder communications**. For more information, see "Electronic Delivery of Shareholder Communications" in the enclosed proxy statement.

At our meeting, we will vote on proposals (1) to set the number of Director positions at seven (or such lower number as shall equal the number of nominees elected as Directors) and elect the seven nominees to our Board of Directors, (2) to conduct a non-binding advisory vote on executive compensation, (3) to conduct a non-binding advisory vote on the frequency of conducting the vote on executive compensation, (4) to approve certain amendments to the Helen of Troy Limited 2008 Stock Incentive Plan, (5) to approve the Helen of Troy Limited 2011 Annual Incentive Plan, (6) to appoint Grant Thornton LLP as the Company's auditor and independent registered public accounting firm and to authorize the Audit Committee of the Board of Directors to set the auditor's remuneration, and (7) to transact such other business as may properly come before the meeting. The accompanying Notice of Annual General Meeting of Shareholders and proxy statement contains information that you should consider when you vote your shares. Also, for your convenience, you can appoint your proxy via touch-tone telephone at 1-800-690-6903 or via the Internet at WWW.PROXYVOTE.COM.

It is important that you vote your shares whether or not you plan to attend the meeting. Please complete, sign, date and return the enclosed proxy card in the accompanying envelope as soon as possible, or appoint your proxy by telephone or on the Internet as set forth above. If you plan to attend the meeting and wish to vote in person, you may revoke your proxy and vote in person at that time. I look forward to seeing you at the meeting. On behalf of the management and directors of Helen of Troy Limited, I want to thank you for your continued support and confidence.

Sincerely,

/s/ Gerald J. Rubin

Gerald J. Rubin
*Chairman of the Board,
Chief Executive Officer and
President*

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HELEN OF TROY LIMITED

Clarendon House

Church Street

Hamilton, Bermuda

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD OCTOBER 11, 2011

Notice is hereby given that the 2011 Annual General Meeting of the Shareholders (the Annual Meeting) of Helen of Troy Limited, a Bermuda company (the Company), will be held at the Camino Real Hotel, 101 S. El Paso Street, El Paso, Texas, on Tuesday, October 11, 2011, at 1:00 p.m., Mountain Daylight Time, for the following purposes:

1. To set the number of Director positions at seven (or such lower number as shall equal the number of nominees elected as Directors) and elect the seven nominees to our Board of Directors;
2. To conduct a non-binding advisory vote on executive compensation;
3. To conduct a non-binding advisory vote on the frequency of conducting the vote on executive compensation;
4. To approve certain amendments to the Helen of Troy Limited 2008 Stock Incentive Plan;
5. To approve the Helen of Troy Limited 2011 Annual Incentive Plan;

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6. To appoint Grant Thornton LLP as the Company's auditor and independent registered public accounting firm and to authorize the Audit Committee of the Board of Directors to set the auditor's remuneration; and

7. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The record date for determining shareholders entitled to receive notice of and to vote at the Annual Meeting is August 22, 2011. You are urged to read carefully the attached proxy statement for additional information concerning the matters to be considered at the Annual Meeting.

If you do not expect to be present in person at the Annual Meeting, please complete, sign and date the enclosed proxy and return it promptly in the enclosed postage-paid envelope that has been provided for your convenience. The prompt return of proxies will help ensure the presence of a quorum and save the Company the expense of further solicitation. Also, for your convenience, you can appoint your proxy via touch-tone telephone at 1-800-690-6903 or via the Internet at WWW.PROXYVOTE.COM.

The proxy statement and the Company's 2011 Annual Report to Shareholders are also available on our hosted website at [HTTP://MATERIALS.PROXYVOTE.COM/G4388N](http://MATERIALS.PROXYVOTE.COM/G4388N). For additional related information, please refer to the Important Notice Regarding Internet Availability of Proxy Materials in the enclosed proxy statement.

You are cordially invited and encouraged to attend the Annual Meeting in person.

/s/ Vincent D. Carson

Vincent D. Carson
Senior Vice President, General Counsel and Secretary

El Paso, Texas
September 16, 2011

IMPORTANT

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE ANNUAL MEETING, PLEASE SUBMIT YOUR PROXY AS SOON AS POSSIBLE. IF YOU DO ATTEND THE ANNUAL MEETING, YOU MAY REVOKE YOUR PROXY AND VOTE IN PERSON. MOST SHAREHOLDERS HAVE THREE OPTIONS FOR SUBMITTING THEIR PROXIES PRIOR TO THE ANNUAL MEETING: (1) VIA THE INTERNET, (2) BY PHONE OR (3) BY MARKING, DATING AND SIGNING THE ENCLOSED PROXY AND RETURNING IT IN THE ENVELOPE PROVIDED. IF YOU HAVE INTERNET ACCESS, WE ENCOURAGE YOU TO APPOINT YOUR PROXY ON THE INTERNET. IT IS CONVENIENT, AND IT SAVES THE COMPANY SIGNIFICANT POSTAGE AND PROCESSING COSTS.

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HELEN OF TROY LIMITED

Clarendon House

Church Street

Hamilton, Bermuda

PROXY STATEMENT

FOR

ANNUAL GENERAL MEETING OF SHAREHOLDERS

October 11, 2011

SOLICITATION OF PROXIES

The accompanying proxy is solicited by the Board of Directors of Helen of Troy Limited (the Company) for use at its Annual General Meeting of Shareholders (the Annual Meeting) to be held at the Camino Real Hotel, 101 S. El Paso Street, El Paso, Texas, on Tuesday, October 11, 2011, at 1:00 p.m., Mountain Daylight Time, and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders. A proxy may be revoked by filing a written notice of revocation or an executed proxy bearing a later date with the Secretary of our Company any time before exercise of the proxy or by attending the Annual Meeting and voting in person. The proxy statements and form of proxy cards are to be distributed to shareholders on or about September 16, 2011.

If you complete and submit your proxy, the persons named as proxies will vote the shares represented by your proxy in accordance with your instructions. If you submit a proxy card but do not fill out the voting instructions on the proxy card, the persons named as proxies will vote the shares represented by your proxy as follows:

- **FOR** setting the number of Director positions at seven (or such lower number as shall equal the number of nominees elected as Directors) and electing the seven nominees to the Board of Directors, as set forth in Proposal 1.
- **FOR** a non-binding advisory resolution on executive compensation, as set forth in Proposal 2.
- **FOR** a non-binding advisory vote setting the frequency of future advisory votes at one year, as set forth in Proposal 3.

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- **FOR** the approval of the amendments to the Helen of Troy Limited 2008 Stock Incentive Plan, as set forth in Proposal 4.
- **FOR** the approval of the Helen of Troy Limited 2011 Annual Incentive Plan, as set forth in Proposal 5.
- **FOR** the appointment of Grant Thornton LLP as the auditor and independent registered public accounting firm of the Company and to authorize the Audit Committee of the Board of Directors to set the auditor's remuneration, as set forth in Proposal 6.

In addition, if other matters are properly presented for voting at the Annual Meeting, the persons named as proxies will vote on such matters in accordance with their judgment. We have not received notice of other matters that may properly be presented for voting at the Annual Meeting. Your vote is important. If you do not vote your shares, you will not have a say in the important issues to be voted upon at the Annual Meeting. To pass, each proposal included in this year's proxy statement requires an affirmative vote of a majority of the votes cast on such proposal at the Annual Meeting. To ensure that your vote is recorded promptly, please submit your proxy as soon as possible, even if you plan to attend the Annual Meeting in person.

The Annual Report to Shareholders for the year ended February 28, 2011 (fiscal 2011), including financial statements, is enclosed. It does not form any part of the material provided for the solicitation of proxies.

The cost of solicitation of proxies will be borne by the Company. In addition to solicitation by mail, officers and employees of the Company may solicit the return of proxies by telephone and personal interview, or hire an outside proxy solicitor. Forms of proxy and proxy materials may also be distributed through brokers, custodians and like parties to beneficial owners of our common shares, par value \$.10 per share (the Common Stock), for which we will, upon request, reimburse the forwarding expense.

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VOTING SECURITIES AND RECORD DATE

The close of business on August 22, 2011, is the record date for determination of shareholders entitled to notice of, and to vote at, the Annual Meeting. As of August 22, 2011, there were 31,558,552 shares of Common Stock issued and outstanding, each entitled to one vote per share.

QUORUM; VOTING

Shareholders may hold their shares either as a shareholder of record or as a street name holder. If your shares are registered directly in your name with our transfer agent, you are considered the shareholder of record with respect to those shares and this proxy statement is being sent directly to you by the Company. If your shares are held in a brokerage account or by another nominee, you are considered to be the beneficial owner of shares held in street name, and these proxy materials, together with a voting instruction card, are being forwarded to you by your broker, trustee or other nominee. As the beneficial owner of the shares, you have the right to direct your broker, trustee or other nominee how to vote.

The presence in person of two or more persons, representing throughout the Annual Meeting, in person or by proxy, at least a majority of the issued shares of Common Stock entitled to vote is necessary to constitute a quorum at the Annual Meeting. Proxies marked as Withhold Authority on the election of Directors will be treated as present at the Annual Meeting for purposes of determining the quorum.

Abstentions and broker non-votes are also counted for purposes of determining whether a quorum is present. Broker non-votes occur when shares held in street name by a broker or nominee are represented at the Annual Meeting, but such broker or nominee is not empowered to vote those shares on a particular proposal because the broker has not received voting instructions from the beneficial owner.

Under the rules that govern brokers who are voting with respect to shares held by them in a street name, if the broker has not been furnished with voting instructions by its client at least ten days before the meeting, those brokers have the discretion to vote such shares on routine matters, but not on non-routine matters. Routine matters include the appointment of auditors, submitted to the shareholders in Proposal 6. Non-routine matters include the election of Directors, submitted to shareholders in Proposal 1, the advisory votes on executive compensation and the frequency of conducting the advisory executive compensation vote, submitted to the shareholders in Proposals 2 and 3, the approval of certain amendments to the Helen of Troy Limited 2008 Stock Incentive Plan, submitted to the shareholders in Proposal 4, and the approval of the Helen of Troy Limited 2011 Annual Incentive Plan, submitted to the shareholders in Proposal 5. As a result, with regard to Proposals 1 through 5, brokers have no discretion to vote shares where no voting instructions are received, and no vote will be cast if you do not vote on that proposal. ***We therefore urge you to vote on ALL voting items.***

If a quorum is present, each nominee for Director receiving a majority of the votes cast (the number of shares voted for a director nominee must exceed the number of votes cast against that nominee) at the Annual Meeting in person or by proxy shall be elected. The affirmative vote of the majority of the votes cast at the Annual Meeting in person or by proxy shall also be the act of the shareholders with respect to Proposals 2, 3, 4, 5 and 6. Abstentions and broker non-votes are not counted in determining the total number of votes cast and will have no effect with respect to any of the proposals because abstentions and broker non-votes are not considered to be votes cast under the applicable laws of Bermuda.

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The advisory vote on the resolution on executive compensation is non-binding. Although the vote is non-binding, the Compensation Committee and the Board of Directors will review and carefully consider the outcome of the advisory vote on executive compensation and those opinions when making future decisions regarding executive compensation programs. Notwithstanding the advisory nature of the vote, the resolution will be considered passed with the affirmative vote of a majority of the votes cast at the Annual Meeting in person or by proxy.

The advisory vote on frequency of conducting the vote on executive compensation is also a non-binding vote, meaning that the Company will not be obligated to conduct the advisory vote to approve executive compensation with the frequency chosen by our shareholders at the Annual Meeting. Notwithstanding the advisory nature of the vote, the frequency option that receives the highest number of votes cast at the Annual Meeting will be considered approved. Although the vote is non-binding, the Compensation Committee and the Board of Directors will review and consider the voting results when making future decisions regarding how frequently we should conduct an advisory say-on-pay vote on the compensation of our named executive officers.

If within half an hour from the time appointed for the Annual Meeting a quorum is not present in person or by proxy, the Annual Meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place the Board of Directors may determine, provided that at least two persons are present at such adjourned meeting, representing throughout the meeting, in person or by proxy, at least a majority of the issued shares of Common

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Stock entitled to vote. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the Annual Meeting as originally called.

The approval of the amendments to the Helen of Troy Limited 2008 Stock Incentive Plan, submitted to the shareholders in Proposal 4, is conditioned upon the approval by our shareholders at the Annual Meeting of the Helen of Troy Limited 2011 Annual Incentive Plan, submitted to the shareholders in Proposal 5. Likewise, the approval of the Helen of Troy Limited 2011 Annual Incentive Plan, submitted to the shareholders in Proposal 5, is conditioned upon the approval by our shareholders at the Annual Meeting of the amendments to the Helen of Troy Limited 2008 Stock Incentive Plan, submitted to the shareholders in Proposal 4. Consequently, if either Proposal 4 or Proposal 5 is not approved by our shareholders at the Annual Meeting, then neither proposal will be considered approved and adopted at the Annual Meeting.

ATTENDING THE ANNUAL MEETING

A person is entitled to attend the Annual Meeting only if that person was a shareholder or joint shareholder as of the close of business on the record date or that person holds a valid proxy for the Annual Meeting. If you hold your shares in street name and desire to vote your shares at the Annual Meeting, you must provide a signed proxy directly from the holder of record giving you the right to vote the shares or a letter from the broker or nominee appointing you as their proxy. **The proxy card enclosed with this proxy statement is not sufficient to satisfy this requirement.** If you hold your shares in street name and desire to attend the Annual Meeting, you must also provide proof of beneficial ownership on the record date, such as your most recent account statement prior to the record date or other similar evidence of ownership. If you are the shareholder of record or hold a valid proxy for the Annual Meeting, your name or the name of the person on whose behalf you are proxy must be verified against the list of shareholders of record on the record date as shown on the list of shareholders of the Company prior to being admitted to and prior to voting at the Annual Meeting. All shareholders must, if requested by representatives of the Company, present photo identification for admittance. If you do not provide photo identification or comply with the other procedures outlined above upon request, you will not be admitted to the Annual Meeting and/or will not be permitted to vote, as applicable.

PROPOSAL 1: ELECTION OF DIRECTORS

The bye-laws of the Company state that the number of our Directors shall be established by the shareholders from time to time but shall not be less than two. The Company currently has eight members who serve on the Board of Directors. The Nominating Committee has nominated seven candidates for election to the Board of Directors. Accordingly, the Board of Directors recommends that the number of Director positions be set at seven. In the event that less than seven Directors are elected, then the number of Director positions set shall not be seven, but instead shall equal the number of Directors actually elected.

The seven persons named below are the nominees for election as Directors. Each nominee has consented to serve as a Director if elected. One of the seven candidates, Mr. Gerald J. Rubin, is a member of the Company's senior management. Under Mr. Rubin's employment agreement, the Company agreed to use its best efforts to cause Mr. Rubin to be nominated for election to the Board of Directors and elected by the Board of Directors as Chairman of the Board. The Board of Directors has determined that the remaining six candidates, Gary B. Abromovitz, John B. Butterworth, Timothy F. Meeker, William F. Susetka, Adolpho R. Telles and Darren G. Woody are independent Directors as defined in the applicable listing standards for companies traded on the NASDAQ Stock Market LLC (NASDAQ). Therefore, the majority of persons nominated to serve on our Board of Directors are independent as so defined. Each Director elected shall serve as a Director until the next annual general meeting of shareholders, or until his or her successor is elected or appointed.

Nominees for the Election of Directors

Set forth below are descriptions of the business experience of the nominees for election to our Board of Directors as well as their qualifications:

GARY B. ABROMOVITZ, age 68, has been a Director of the Company since 1990. He is Deputy Chairman of the Board, Lead Independent Director and Chairman of both the Compensation Committee and the Nominating Committee. He also chairs the executive sessions of the independent Directors and serves as a member of the Audit Committee and the Corporate Governance Committee. Mr. Abromovitz is an attorney and has acted as a consultant to several law firms in business related matters, including trade secrets, unfair competition and commercial litigation. He also has been active for more than thirty years in various real estate development and acquisition transactions involving industrial buildings, medical offices and commercial, residential and historic properties. Mr. Abromovitz is a Director of CardioVascular BioTherapeutics, Inc., a biopharmaceutical company, where he serves as Lead Independent Director and Chairman of the Compensation, Audit and Corporate Governance Committees, as well as chairs the executive sessions of independent Directors.

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Mr. Abromovitz possesses an in-depth knowledge of the history and operations of the Company and provides the Board with a significant leadership role as Deputy Chairman, as well as Chairman of the Compensation Committee and the Nominating Committee. He also has a significant understanding of corporate governance and compensation guidelines, as well as experience managing board affairs. Further, Mr. Abromovitz's background as an attorney and his practical business experience provides a unique perspective to the Board.

JOHN B. BUTTERWORTH, age 60, has been a Director of the Company since 2002. Mr. Butterworth is a Certified Public Accountant and a shareholder in the public accounting firm of Weatherley, Butterworth, Macias & Graves P.C. located in El Paso, Texas. Mr. Butterworth has thirty-two years of certified public accounting experience and has been a member of the Company's Audit Committee for the last nine years.

Mr. Butterworth has valuable accounting and tax expertise. Additionally, Mr. Butterworth has gained a deep understanding of the Company's business that enables him to provide significant insights regarding the Company's financial and accounting related matters. He brings strategic focus to our Board of Directors and has provided leadership and guidance that have helped drive the Company's growth.

TIMOTHY F. MEEKER, age 65, has been a Director of the Company since 2004, and chairs the Corporate Governance Committee. Since 2002, Mr. Meeker has served as President and principal in Meeker and Associates, a privately-held management consulting firm. Mr. Meeker served as Senior Vice President, Sales & Customer Development for Bristol-Myers Squibb, a consumer products and pharmaceutical company, from 1996 through 2002. From 1989 to 1996, Mr. Meeker served as Vice President of Sales for Bristol-Myers' Clairol Division.

Mr. Meeker has over thirty-three years experience in the consumer products industry resulting in extensive general management experience with responsibilities for sales, distribution, finance, human resources, customer service and facilities. In addition, he has a valued perspective on operational matters that is an asset to the Board of Directors. Mr. Meeker has served as a chairman of the National Association of Chain Drug Stores advisory committee, which allows him to bring an extensive understanding of retail mass market sales and marketing to our Board of Directors.

GERALD J. RUBIN, age 67, a co-founder of the Company, has been the Chairman of the Board, Chief Executive Officer and President of the Company since June 2000. From 1984 to June 2000, Mr. Rubin was Chairman of the Board and Chief Executive Officer of the Company. Mr. Rubin has been a Director of the Company since 1968. Mr. Rubin also served on the Board of Directors of the El Paso Branch, Federal Reserve Bank of Dallas, Texas from March 2003 to December 2009, and now serves as an advisory Director to the Dallas Federal Reserve. Mr. Rubin also is a member of the Board of Directors of the Paso del Norte Group, a local civic organization that promotes economic, social and cultural vitality in the region.

Since co-founding the Company in 1968, Mr. Rubin has served as the Company's senior executive. Mr. Rubin has a widely regarded business acumen and an intimate knowledge of virtually every aspect of the Company's operations, its customers and the competitive landscape it operates within. Additionally, Mr. Rubin has been instrumental in establishing the global scope of the Company's operations, has significant acquisitions experience and provides significant leadership in establishing the strategic direction for the Company.

WILLIAM F. SUSETKA, age 58, has been a Director of the Company since 2009. Mr. Susetka spent thirty years in marketing and senior management for Clairol, Inc. and Avon Products, Inc. From 1999 to 2001, Mr. Susetka was President, Clairol U.S. Retail Division, with additional responsibility for worldwide research and development and manufacturing. From 2002 through 2005, Mr. Susetka was President of

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Global Marketing at Avon Products, Inc. where he led worldwide marketing, advertising and research and development and served on Avon's Executive Committee. Prior to 2001, he held positions as President of the Clairol International Division and Vice President/General Manager for the Clairol Professional Products Division. He served as a Board Member of the Cosmetics, Toiletry and Fragrance Association from 1999 to 2005 and as a member of the Avon Foundation Board from 2004 to 2005. From October 2005 to January 2006, Mr. Susetka was Chief Operating Officer of Nice Pak Products, Inc., a manufacturer of consumer products that private labeled pre-moistened wipes and other antiseptic wipes. From 2007 through May 2009, he served as Chief Marketing Officer for the LPGA (Ladies Professional Golf Association). Mr. Susetka currently serves on the LPGA Board of Directors and was named Chairman of the Board in February, 2010.

Mr. Susetka provides a wealth of global consumer products industry experience and valuable insight to the Board of Directors. Mr. Susetka is also instrumental in helping to monitor and adjust the strategic direction of Idelle Labs, the Company's Grooming, Skin Care, and Hair Care Products division, and continues to provide related advice to senior management of the Company.

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ADOLPHO R. TELLES, age 62, has been a Director of the Company since 2005 and chairs the Audit Committee. Mr. Telles is a Certified Public Accountant. From December 2010 to April 2011, Mr. Telles served as President and Chief Executive Officer of Mount Franklin Foods, an international nut processing and candy manufacturing/packaging company. He served as Vice President of Finance and Chief Financial Officer of Mount Franklin Foods from February 2010 to November 2010. Additionally, since November 2003, Mr. Telles has been a business consultant providing advisory services in the area of corporate governance, internal auditing, and compliance with the Sarbanes Oxley Act of 2002. Mr. Telles manages personal investments, including an operating company. Mr. Telles is on the Texas Comptroller's Advisory Board for the Texas Treasury Safekeeping Trust Company. Previously, Mr. Telles was with the accounting firm of KPMG LLP, and its predecessors, for twenty-seven years, including over sixteen years as a partner.

Mr. Telles, during his tenure with KPMG, worked on numerous foreign work assignments which have provided him a valuable global operating perspective. In addition, Mr. Telles has extensive experience with accounting principles, financial reporting rules and regulations, evaluation of financial results and generally overseeing the financial reporting processes of multi-national public companies from an independent auditor's perspective. These qualifications, together with his consulting and advisory experience with national and international companies, makes him well suited to serve as Chairman of the Company's Audit Committee.

DARREN G. WOODY, age 51, has been a Director of the Company since 2004. Mr. Woody is President and Chief Executive Officer of C.F. Jordan Investments L.L.P. and C.F. Jordan Construction LLC, an investment entity and a construction firm with offices in Austin, Dallas, El Paso, Houston, and San Antonio, Texas and field operations throughout the United States. The firm specializes in military, commercial, multi-family and highway construction. He has served in this capacity since August of 2000. Previously, Mr. Woody was a partner in the law firm of Krafur, Gordon, Mott, Davis and Woody P.C., where he specialized in real estate, business acquisitions and complex financing arrangements.

Mr. Woody brings a multi-disciplined perspective to our Board of Directors given his executive leadership and legal experience. This background enables him to provide oversight with regard to many of the Company's legal matters, significant transactional negotiations and the management of challenging complex projects.

The receipt of a majority of the votes cast (the number of shares voted for a director nominee exceeding the number of votes cast against that nominee) at the Annual Meeting is required to set the number of Director positions at seven (or such lower number as shall equal the number of nominees elected as Directors) and to elect each of the seven nominees for Director. In the event that any of the Company's nominees are unable to serve, proxies will be voted for the substitute nominee or nominees designated by our Board of Directors, or will be voted to fix the number of Directors at fewer than seven and for fewer than seven nominees, as the Board may deem advisable in its discretion.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR EACH OF THE SEVEN NOMINEES NAMED ABOVE.

Current Director Whose Term Expires at the Annual Meeting

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STANLEE N. RUBIN, age 67, a co-founder of the Company, has been a Director of the Company since 1990. Gerald J. Rubin and Mrs. Rubin are married. Mrs. Rubin will be retiring effective as of the Annual Meeting. During her tenure as a director, Mrs. Rubin contributed to the growth and success of the Company through her extensive experience and knowledge of the Company. Mrs. Rubin is active in civic and charitable organizations. She is a Partner for the Susan G. Komen Breast Cancer Foundation and founder of the Rubin Center for the Visual Arts at the University of Texas at El Paso. We thank Mrs. Rubin for her many years of meritorious service to the Company.

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CORPORATE GOVERNANCE

Corporate Governance. Corporate governance is typically defined as the system that allocates duties and authority among a company's shareholders, Board of Directors and management. The shareholders elect the Board and vote on extraordinary matters.

Our Corporate Governance Guidelines, as well as our Code of Ethics, and the charters of the Audit Committee, Compensation Committee, Nominating Committee and Corporate Governance Committee are available under the Corporate Governance heading of the investor relations page of our website at the following address: <http://www.hotus.com>.

Our Company believes that it is in compliance with the corporate governance requirements of the NASDAQ listing standards. The principal elements of these governance requirements as implemented by our Company are:

- affirmative determination by the Board of Directors that a majority of the Directors are independent;

- regularly scheduled executive sessions of independent Directors;

- Audit Committee, Nominating Committee and Compensation Committee comprised of independent Directors and having the purposes and charters described below under the separate committee headings; and

- specific Audit Committee responsibility, authority and procedures outlined in the charter of the Audit Committee.

Independence. The Board of Directors has determined that the following six nominees for election at the Annual Meeting are independent Directors as defined in the NASDAQ listing standards: Gary B. Abromovitz, John B. Butterworth, Timothy F. Meeker, William F. Susetka, Adolpho R. Telles, and Darren G. Woody. Therefore, 86 percent of the persons nominated to serve on our Company's Board of Directors are independent as so defined. The foregoing independence determination of our Board of Directors included the determination that each of these six nominated Board members, if elected and appointed to the Audit Committee, Compensation Committee or Nominating Committee, or as discussed above, respectively, is:

- independent for purposes of membership on the Audit Committee under Rule 5605(c)(2) of the NASDAQ listing standards, that includes the independence requirements of Rule 5605(a)(2) and additional independence requirements under SEC Rule 10A-3(b);

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- independent under the NASDAQ listing standards for purposes of membership on the Nominating Committee; and
- independent under the NASDAQ listing standards for purposes of membership on the Compensation Committee, as a non-employee director under SEC Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act), and an outside director as defined in regulations under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code).

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BOARD LEADERSHIP AND THE BOARD'S ROLE IN RISK OVERSIGHT

Board Leadership

The Board currently combines the role of Chairman of the Board with the role of Chief Executive Officer, coupled with a lead Director position to further strengthen the governance structure. The Board believes this provides an efficient and effective leadership model for the Company, as the Company's Chief Executive Officer is the Director most familiar with the Company's business and industry and the Director most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Additionally, combining the Chairman and Chief Executive Officer roles fosters clear accountability and effective decision-making. To ensure effective independent oversight, the Board has adopted a number of governance practices, including:

- a strong, independent, clearly-defined lead Director role (see below for a full description of the role);
- holding executive sessions of the independent Directors regularly; and
- annual performance evaluations of the Chairman and Chief Executive Officer by the independent Directors.

The Board retains the authority to modify this structure to best address the Company's circumstances, and so advance the best interests of all shareholders, as and when appropriate. The Board also has designated Gary B. Abromovitz, an independent Director, as the Deputy Chairman and lead Director. The Deputy Chairman's authority and responsibilities include:

- presiding at all meetings of the Board when the Chairman is not present and over executive sessions;
- serving as a liaison between the Chairman and the independent Directors; and
- calling meetings of the independent Directors.

Our Board and its committees meet throughout the year on a set schedule, and hold special meetings and act by written consent from time to time, as appropriate. Independent Directors regularly meet without management present, and the Board's lead Director conducts those sessions. The Corporate Governance Committee works with the Compensation Committee to identify, develop and recommend succession plans for all of the Company's senior management, including the Chairman and Chief Executive Officer, to the Board of Directors.

The Board's Role on Risk Oversight

The Company's management is responsible for the ongoing assessment and management of the risks the Company faces, including risks relating to capital structure, strategy, liquidity and credit, financial reporting and public disclosure, operations and governance. The Board oversees management's policies and procedures in addressing these and other risks. Additionally, each of the Board's four committees (the Audit Committee, Compensation Committee, Nominating Committee and Corporate Governance Committee) monitor and report to the Board those risks that fall within the scope of such committees' area of oversight responsibility. For example, the full Board directly oversees strategic risks. The Nominating Committee directly oversees risk management relating to Director nomination and independence. The Corporate Governance Committee directly oversees risk management regarding corporate governance. The Compensation Committee directly oversees risk management relating to employee compensation, including any risks of compensation programs encouraging excessive risk-taking. Finally, the Audit Committee directly oversees risk management relating to financial reporting, public disclosure and legal and regulatory compliance. The Audit Committee is also responsible for assessing the steps management has taken to monitor and control these risks and exposures and discussing guidelines and policies with respect to the Company's risk assessment and risk management.

Management has identified risks, designated associated risk owners within the organization and receives appropriate reports from the various risk owners as conditions change. Management works with the Board to communicate risk factors to the Board and to enable the Board to understand the Company's risk identification, risk management and risk mitigation measures relating to strategic matters. Additional review or reporting of risks is conducted by management as needed or when requested by the Board or a committee. Additionally, each fiscal year, the lead independent Director, working with the other independent Directors, assesses corporate governance practices and risks using the National Association of Corporate Directors Key Agreed Principles. These principles were created to provide a framework for the corporate governance of public entities, giving boards of Directors the flexibility to make decisions at the practice level within this framework to tailor the principles as needed to address the governance issues facing their entities. The independent Directors annually report their findings to the Board regarding their assessment of the Company's risks relating to corporate governance.

Table of Contents**BOARD COMMITTEES AND MEETINGS**

Our Board of Directors has four committees: the Audit Committee, the Nominating Committee, the Corporate Governance Committee and the Compensation Committee. The following table shows the composition of these committees and the number of meetings held during fiscal 2011:

Director	Executive Sessions of Independent Directors	Audit	Nominating	Corporate Governance	Compensation
Gary B. Abromovitz	Chair	M	Chair	M	Chair
John B. Butterworth	M	M			
Timothy F. Meeker	M		M	Chair	M
Stanlee N. Rubin				M	
William F. Susetka	M				M
Adolpho R. Telles	M	Chair			
Darren G. Woody	M		M	M	M
Number of Meetings Held in Fiscal 2011	8	8	1	2	10

M = Current Member during fiscal 2011

Audit Committee. Our Audit Committee is established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee operates under a written charter that has been adopted by the Board of Directors. The primary purposes of this committee are to oversee, on behalf of the Company's Board of Directors: (1) the accounting and financial reporting processes and integrity of our Company's financial statements, (2) the audits of our Company's financial statements and the appointment, compensation, qualifications, independence and performance of our independent registered public accounting firm, (3) our compliance with legal and regulatory requirements, and (4) the staffing and ongoing operation of our internal audit function. The Audit Committee meets periodically with our Chief Financial Officer and other appropriate officers in the discharge of its duties. The Audit Committee also reviews the content and enforcement of the Company's Code of Ethics, consults with our legal counsel on various legal compliance matters and on other legal matters if those matters could materially affect our financial statements.

The Board of Directors has determined that each of the members of the Audit Committee is independent as previously described. In addition, the Board of Directors determined that Mr. Telles qualifies as an audit committee financial expert as defined by the SEC in Item 407(d)(5) of Regulation S-K promulgated by the SEC. The Board of Directors also determined that all of the members of the Audit Committee meet the requirement of the NASDAQ listing standards that each member be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement.

Compensation Committee. The Compensation Committee operates under a written charter that has been adopted by the Board of Directors. The primary purposes of the committee are to (1) evaluate and approve the corporate goals and objectives set by the Chief Executive Officer (the CEO), (2) evaluate the CEO's performance in light of those goals and objectives, (3) make recommendations to the Board of Directors with

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respect to non-CEO compensation, incentive compensation plans and equity-based plans, (4) oversee the administration of our incentive compensation plans and equity-based plans, and (5) produce an annual report on executive compensation for inclusion in the Company's proxy statement. The Board of Directors has determined that the members of this committee are independent as previously described. In addition to formal meetings, the committee also conducted numerous informal telephonic discussions and consulted its legal advisors throughout the year.

The Compensation Committee has the exclusive authority to hire compensation, accounting, legal or other advisors. In fiscal 2011, the Compensation Committee directly engaged Pearl Meyer & Partners (Pearl Meyer) as its independent compensation consultant. During fiscal 2011, Pearl Meyer assisted the Compensation Committee with respect to Mr. Rubin's compensation program by:

- Assisting in the design and negotiation of his revised employment agreement;
- Advising on appropriate executive performance goals and metrics for Mr. Rubin;

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- Reviewing and recommending adjustments to Mr. Rubin's pay structure;
- Advising on market trends and developments; and
- Advising on Mr. Rubin's severance benefits.

See Executive Compensation Employment Contract for Chairman of the Board, Chief Executive Officer and President for a detailed description of the revised employment agreement with Mr. Rubin. Pearl Meyer works directly with the Compensation Committee (and not on behalf of management) to assist the Compensation Committee in meeting its responsibilities. Pearl Meyer performs no other services for the Company and, to date, has not undertaken any projects on behalf of management. For additional information regarding the operation and authority of the Compensation Committee, see Compensation Discussion and Analysis.

Nominating Committee. The Nominating Committee operates under a written charter that has been adopted by the Board of Directors. The primary purposes of the committee are to (1) recommend to our Board of Directors individuals qualified to serve on our Board of Directors for election by shareholders at each annual general meeting of shareholders and to fill vacancies on the Board of Directors, (2) implement the Board's criteria for selecting new Directors, and (3) oversee the evaluation of our Board. The Nominating Committee receives recommendations from its members or other members of the Board of Directors for candidates to be appointed to the Board or committee positions, reviews and evaluates such candidates and makes recommendations to the Board of Directors for nominations to fill Board and committee positions.

The committee's current process for identifying and evaluating nominees for Director consists of general periodic evaluations of the size and composition of the Board of Directors, applicable listing standards and laws, and other appropriate factors with a goal of maintaining continuity of appropriate industry expertise and knowledge of our Company. The committee looks for a number of personal attributes in selecting candidates as specified in the Company's Corporate Governance Guidelines including: sound reputation and ethical conduct; business and professional activities that are complementary to those of the Company; the availability of time and a willingness to carry out their duties and responsibilities effectively; an active awareness of changes in the social, political and economic landscape; an absence of any conflicts of interest; a level of health that allows for attendance and active contribution to most Board and committee meetings; limited service on other boards; and a commitment to contribute to the Company's overall performance, placing it above personal interests. The committee does not have a diversity policy regarding its selection criteria for determining Director nominees. However, as specified in the Company's Corporate Governance Guidelines, the committee makes efforts to maintain members on the Board who have substantial and direct experience in areas of importance to the Company. Additionally, the committee seeks independent Directors who represent a mix of backgrounds and experiences that will enhance the quality of the Board's deliberations and decisions. The committee considers all attributes, business diversity, professional qualifications and experience of all candidates the committee believes will benefit the Company and increase shareholder value, without regard to gender, race or ethnic background. The committee does not assign specific weights to particular criteria, and no particular criterion is necessarily applicable to all prospective nominees.

The Nominating Committee will consider candidates recommended by shareholders. Any candidate recommended by shareholders must meet the same general requirements outlined in the previous paragraph to be considered for election. Any shareholder who intends to present a Director nomination proposal for consideration at the 2012 annual general meeting of shareholders and intends to have that proposal included in the proxy statement and related materials for the 2012 annual general meeting, must deliver a written copy of the proposal to our Company's principal executive offices no later than the deadline, and in accordance with the notice procedures, specified under Shareholder Proposals in this proxy statement and in accordance with the applicable requirements of SEC Rule 14a-8.

If a shareholder does not comply with the Rule 14a-8 procedures, the Company would not be required to include the nomination proposal as a proposal in the proxy statement and proxy card mailed to shareholders. For a shareholder's nominee to be considered for nomination as a Director, the shareholder should give timely notice of their nomination in writing to the Secretary of our Company. To be timely, written suggestions for candidates should be delivered for consideration by the Nominating Committee prior to the next annual general meeting to the Secretary of the Company, Clarendon House, Church Street, Hamilton, Bermuda no later than 45 calendar days before the first anniversary of the date on which the Company sent its proxy statement to shareholders in connection with the previous year's annual general meeting. Written suggestions for candidates should be accompanied by a written consent of the proposed candidate to serve as a Director if nominated and elected, a description of his or her qualifications and other relevant biographical information. The Nominating Committee may request that the shareholder submitting the proposed nominee furnish additional information to determine the eligibility and qualifications of such candidate.

Under SEC Rule 14a-8 (and assuming consent to disclosure is given by the proponents and nominee), our Company must disclose any nominations for Director made by any person or group beneficially owning more than five percent of our outstanding Common Stock by August 18, 2011. Our Company did not receive any such nominations for the Annual Meeting.

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Corporate Governance Committee. The primary purposes of the committee are to (1) develop, recommend to the Board, and assess our corporate governance policies, and (2) evaluate, develop and recommend to the Board succession plans for all of the Company's senior management. The Corporate Governance Committee works with the Compensation Committee to develop and recommend succession plans to the Board of Directors.

Meetings of Board of Directors and its Committees. The Board of Directors held four regularly scheduled meetings and seven telephonic meetings during fiscal 2011. Other than Mrs. Rubin, each member of the Board of Directors attended at least 75% of the meetings of our Board of Directors and the committees of which he was a member. Mrs. Rubin was not able to attend meetings of the Board of Directors or the committees of which she was a member in fiscal 2011 due to health related reasons. We encourage, but do not require, the members of the Board of Directors to attend annual general meetings. Last year, except for Mrs. Rubin, all of our Directors attended the annual general meeting of shareholders. We expect that all Board members with the exception of Mrs. Rubin will attend the Annual Meeting.

SHAREHOLDER COMMUNICATIONS TO THE BOARD OF DIRECTORS

Any record or beneficial owner of our shares of Common Stock who has concerns about accounting, internal accounting controls, or auditing matters relating to our Company may contact the Audit Committee directly. Any record or beneficial owner of our Common Stock who wishes to communicate with the Board of Directors on any other matter should also contact the Audit Committee. The Audit Committee has undertaken on behalf of the Board of Directors to be the recipient of communications from shareholders relating to our Company. If particular communications are directed to the full Board, independent Directors as a group, or individual Directors, the Audit Committee will route these communications to the appropriate Directors or committees so long as the intended recipients are clearly stated.

Communications intended to be anonymous may be made by calling our national hotline service at 866-210-7649 or 866-210-7650. When calling, please identify yourself as a shareholder of our Company intending to communicate with the Audit Committee. This third party service undertakes to forward the communications to the Audit Committee if so requested and clearly stated. You may also send communications intended to be anonymous by mail, without indicating your name or address, to Helen of Troy Limited, 1 Helen of Troy Plaza, El Paso, Texas, 79912, USA, Attention: Chairman of the Audit Committee. Communications not intended to be made anonymously may be made by calling the hotline number or by mail to that address, including whatever identifying or other information you wish to communicate.

Communications from employees or agents of our Company will not be treated as communications from our shareholders unless the employee or agent clearly indicates that the communication is made solely in the person's capacity as a shareholder.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During fiscal 2011, none of the members of the Compensation Committee was an officer (or former officer) or employee of the Company, and no executive officer of the Company served on the Compensation Committee (or equivalent), or the Board of Directors of another entity whose executive officer(s) served on the Company's Compensation Committee or Board.

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The following table summarizes the total compensation earned by all non-employee Directors during fiscal 2011:

Director Compensation for Fiscal Year 2011

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
Gary B. Abromovitz	150,000	28,938(1)	-	178,938
John B. Butterworth	84,000	44,520(1)	-	128,520
Timothy F. Meeker	82,000	44,520(1)	-	126,520
Byron H. Rubin	18,000(2)	-	42,195(2)	60,195
Stanlee N. Rubin	33,000	-	-	33,000
William F. Susetka	72,000	44,520(1)	-	116,520
Adolpho R. Telles	100,000	51,198(1)	-	151,198
Darren G. Woody	78,000	44,520(1)	-	122,520

(1) These amounts reflect the aggregate grant date fair value of restricted stock awards computed in accordance with FASB ASC Topic 718, as required under SEC rules. Under stock ownership guidelines adopted by the Board, each Director is required to hold the shares until their retirement from the Board, except that each Director may sell up to 30 percent of the shares granted in order to pay any tax liabilities associated with the grant. Further information regarding the awards is included in Grants to Directors of Plan Based Awards in Fiscal Year 2011 , Outstanding Equity Awards for Non-Employee Directors at Fiscal Year-End 2011 and Non-Employee Director Equity Compensation Plan.

(2) Mr. Rubin served as a member of the Company's Board of Directors through August 31, 2010. During fiscal 2011, \$18,000 of fees were paid to him for six months of board service and associated meeting fees. The amount in the column entitled All Other Compensation represents other compensation earned during fiscal 2011 through the end of his tenure on the Board. This includes \$30,000 in fees paid by the Company to Mr. Rubin for employee benefit consulting services and \$12,195 of insurance agent's commissions earned by Mr. Rubin and paid directly to him by certain of our insurers in connection with certain life insurance policies. For additional information regarding these payments, see Certain Relationships Related Person Transactions.

Gerald J. Rubin is our only Director that is also an executive officer. He has not received any remuneration for his service as a member of the Board of Directors.

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In fiscal 2011, the following cash compensation was paid to our non-employee Directors:

Directors Fees Earned or Paid in Cash for Fiscal Year 2011

Name	Annual Board Retainers (\$ (1))	Board Meeting Fees (\$ (2))	Independent Directors Fees (\$ (3))	Deputy Chairman Fees (\$ (4))	Committee Chair Fees (\$)	Committee Member Fees (\$ (5))	Total (\$)
Gary B. Abromovitz	24,000	12,000	24,000	40,000	20,000(6)	30,000	150,000
John B. Butterworth	24,000	12,000	24,000	-	-	24,000	84,000
Timothy F. Meeker	24,000	12,000	24,000	-	10,000(7)	12,000	82,000
Byron H. Rubin	12,000	6,000	-	-	-	-	18,000
Stanlee N. Rubin	24,000	3,000	-	-	-	6,000	33,000
William F. Susetka	24,000	12,000	24,000	-	-	12,000	72,000
Adolpho R. Telles	24,000	12,000	24,000	-	40,000(8)	-	100,000
Darren G. Woody	24,000	12,000	24,000	-	-	18,000	78,000

- (1) All non-employee Directors receive a quarterly cash retainer of \$6,000.
- (2) All non-employee Directors receive a cash fee of \$3,000 for each quarterly meeting of the Board of Directors attended.
- (3) All independent Directors receive a quarterly cash fee of \$6,000 for participation in executive sessions.
- (4) The Deputy Chairman and lead Director receives a quarterly cash fee of \$10,000.
- (5) Each non-chair member of the Audit Committee receives a quarterly cash fee of \$6,000, each non-chair member of the Compensation Committee receives a quarterly cash fee of \$3,000 and each non-chair member of the Corporate Governance Committee receives a quarterly cash fee of \$1,500.
- (6) The Compensation Committee Chairman receives a quarterly cash fee of \$5,000.
- (7) The Corporate Governance Committee Chairman receives a quarterly cash fee of \$2,500.

- (8) The Audit Committee Chairman receives a quarterly cash fee of \$10,000.

In addition to the amounts shown above, non-employee Board members received reimbursement for travel and lodging expenses incurred while attending Board and committee meetings and Board-related activities, such as visits to Company locations.

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In fiscal 2011, the following share-based compensation was awarded to certain independent Directors:

Grants to Directors of Plan-Based Awards in Fiscal Year 2011

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock (#)	Grant Date Fair Value of Stock (\$)(1)
Gary B. Abromovitz	8/31/2010	1,300	28,938
John B. Butterworth	8/31/2010	2,000	44,520
Timothy F. Meeker	8/31/2010	2,000	44,520
William F. Susetka	8/31/2010	2,000	44,520
Adolpho R. Telles	8/31/2010	2,300	51,198
Darren G. Woody	8/31/2010	2,000	44,520

(1) These reflect shares of restricted stock that vested immediately. Under stock ownership guidelines adopted by the Board, each Director is required to hold the shares until their retirement from the Board, except that each Director may sell up to 30 percent of the shares granted in order to pay any tax liabilities associated with the grant. See Director Stock Ownership and Compensation Guidelines. The grant date fair value is based on the closing sale price of the Common Stock on August 31, 2010 of \$22.26 per share.

The following table provides information on the outstanding equity awards at fiscal year-end 2011 for non-employee Directors:

Outstanding Equity Awards for Non-Employee Directors at Fiscal Year-End 2011

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards		Stock Awards
		Option Exercise Price (\$)/Sh	Option Expiration Date	All Other Stock Awards: Number of Shares of Stock (#)
Gary B. Abromovitz	20,000	25.89 to 33.35	3/1/14 to 3/1/15	2,300
John B. Butterworth	20,000	25.89 to 33.35	3/1/14 to 3/1/15	4,000
Timothy F. Meeker	16,000	23.13 to 28.33	9/1/14 to 6/1/15	4,000
Stanlee N. Rubin	32,000	21.47 to 33.35	9/1/13 to 6/1/15	-
William F. Susetka	-	-	-	2,000
Adolpho R. Telles	-	-	-	4,300
Darren G. Woody	16,000	23.13 to 28.33	9/1/14 to 6/1/15	3,000

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All options were issued under the Company's 1995 Non-Employee Stock Option Plan. Under the plan, all options were issued at a price not less than the fair market value of the Common Stock at the date of grant, vested one year from the date granted, and expire ten years after the options were granted. Currently, all outstanding options under the plan are vested. This stock option plan expired by its terms on June 6, 2005. Therefore, no additional options have been granted since that date.

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Director Stock Ownership and Compensation Guidelines

The Compensation Committee and the Board of Directors believe that Directors should own and hold Common Stock to further align their interests and actions with the interests of the Company's shareholders. Accordingly, upon recommendation of the Compensation Committee, in June 2008, the Board of Directors adopted stock ownership and compensation guidelines for the Company's Directors. Under these guidelines, the Directors should hold shares of the Company's Common Stock equal in value to at least three times the annual cash retainer for Directors. The guidelines provide that the stock ownership levels should be achieved by each Director within five years from the adoption of the guidelines or, in the case of a new Director, within five years of his or her first appointment to the Board of Directors. The Compensation Committee will review stock ownership levels on the first trading day of the calendar year based on the greater of the fair market value and the Director's cost basis in the shares on such date. In the event of an increase in the annual cash retainer, the Directors will have five years from the time of the increase to acquire any additional shares needed to comply with the guidelines. To further encourage equity participation, the guidelines provide that equity awards to non-employee Directors either vest over a period of at least three years or are required to be held by the Director until his or her service with the Company ends. However, each Director may sell up to 30 percent of the shares granted in order to pay any tax liabilities associated with the grant. The Board of Directors also believe that compensation arrangements should be flexible enough to allow the Directors to receive a balanced mix of equity and cash keeping in mind the Board's guidelines for achieving and maintaining stock ownership. In this respect, the Board of Directors will seek to target Director compensation at a mix of approximately 60 percent cash and 40 percent equity.

Non-Employee Director Equity Compensation Plan

At the 2008 annual general meeting of shareholders, the Company's shareholders approved the Helen of Troy Limited 2008 Non-Employee Directors Stock Incentive Plan (the 2008 Director Plan). The purpose of the 2008 Director Plan is to (1) aid the Company in attracting, securing and retaining Directors of outstanding ability and (2) motivate such persons to exert their best efforts on behalf of the Company and its subsidiaries and its affiliates by providing incentives through the granting of awards under the plan. Only non-employee Directors of the Company are eligible to participate in the 2008 Director Plan. Because Gerald J. Rubin is an employee of the Company, he is not eligible to participate in the 2008 Director Plan.

The 2008 Director Plan is administered by the Compensation Committee of the Board of Directors. The 2008 Director Plan permits grants of restricted stock, restricted stock units and other stock-based awards to the Company's non-employee Directors. The vesting criteria and other terms and conditions of restricted stock, restricted stock units and other stock-based awards will be determined by the Compensation Committee. Shares which are subject to awards which terminate, expire, are cancelled, exchanged, forfeited, lapse or are settled for cash may be utilized again with respect to awards granted under the 2008 Director Plan. As of July 31, 2011, 19,600 shares of restricted stock have been granted under the plan and 155,400 shares of Common Stock remain available for future issue (subject to adjustment in certain circumstances). The plan will expire by its terms on August 19, 2018.

If a participant's service is terminated for any reason, the participant will only be entitled to the restricted stock or restricted stock units vested at the time of such termination of service. The participant's unvested restricted stock and restricted stock units will be forfeited. Notwithstanding the foregoing, the Compensation Committee may accelerate the vesting of unvested restricted stock or restricted stock units held by a participant if the participant is terminated without cause (as determined by the Compensation Committee) by the Company. In the event of a Change of Control (as defined in the 2008 Director Plan), (1) the participants will have the right to settle from and after the date of the Change of Control any restricted stock unit held by such participant in whole or in part, notwithstanding that such restricted stock unit may not be fully vested, and (2) any and all restrictions on any participant's other stock-based award will lapse and such stock will immediately vest in the participant, notwithstanding that the other stock-based award was unvested.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth, as of July 31, 2011, the beneficial ownership of the Common Stock of the Directors and the executive officers of the Company; the Directors and executive officers of the Company as a group; and each person known to the Company to be the beneficial owner of more than five percent of the Common Stock:

Name of Beneficial Owner	Number of Common Shares Beneficially Owned	Percent *
Gerald J. Rubin Stanlee N. Rubin One Helen of Troy Plaza El Paso, Texas 79912	2,453,695(1) (2)	7.76%
Gary B. Abromovitz	8,300(2)	**
Thomas J. Benson	15,854(2)	**
John B. Butterworth	36,100(2)	**
Vincent D. Carson	20,093(2)	**
Timothy F. Meeker	12,000(2)	**
William F. Susetka	2,000	**
Adolpho R. Telles	6,300	**
Darren G. Woody	21,000(2)	**
All Directors and executive officers as a group (10 Persons)	2,575,342(2)	8.12%
FMR LLC 82 Devonshire Street Boston, Massachusetts 02109	2,850,000(3)	9.02%
Dimensional Fund Advisors LP 6300 Bee Cave Road Building One Austin, Texas 78746	2,004,428(4)	6.35%
Columbia Wanger Asset Management, LLC 227 W Monroe Street Suite 3000 Chicago, Illinois 60606	1,660,000(5)	5.26%

* Percent ownership is calculated based on 31,588,042 shares of the Common Stock outstanding on July 31, 2011.

** Ownership of less than one percent of the outstanding Common Stock.

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(1) Includes 276,980 shares held beneficially through a partnership in which Gerald J. Rubin and Stanlee N. Rubin are partners. Additionally, 1,812,922 shares of Common Stock held beneficially by Mr. and Mrs. Rubin are pledged to secure certain loans.

(2) Includes shares subject to stock options that are exercisable within sixty days of July 31, 2011 as follows:

	Options (#)
Gary B. Abromovitz	4,000
Thomas J. Benson	12,925
John B. Butterworth	20,000
Vincent D. Carson	18,625
Timothy F. Meeker	8,000
Stanlee N. Rubin	32,000
Darren G. Woody	16,000
Total	111,550

(3) Based on the Schedule 13G/A filed on February 14, 2011. According to the filing, FMR LLC currently has sole dispositive power for 2,850,000 shares, shared dispositive power for zero shares, sole voting power for zero shares and shared voting power for zero shares.

(4) Based on the Schedule 13G/A filed on February 11, 2011. According to the filing, Dimensional Fund Advisors, LP currently has sole dispositive power for 2,004,428 shares, shared dispositive power for zero shares, sole voting power for 1,945,668 shares and shared voting power for zero shares

(5) Based on the Schedule 13G/A filed on February 10, 2011. According to the filing, Columbia Wanger Asset Management, LLC and Columbia Acorn Trust jointly filed the Schedule 13G/A with respect to the Common Stock beneficially owned by each of them. According to the filing, Columbia Wanger Asset Management, LLC and Columbia Acorn Trust have sole dispositive power for 1,660,000 shares, sole voting power for 1,610,000 shares and shared voting power for zero shares.

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EXECUTIVE OFFICERS

The executive officers of the Company are Gerald J. Rubin, Thomas J. Benson and Vincent D. Carson. Mr. Rubin is also a Director of the Company and his biography is included above under Proposal 1: Election of Directors.

THOMAS J. BENSON, age 53, has been Senior Vice President and Chief Financial Officer of the Company since August 2003. Mr. Benson served as Chief Financial Officer of Elamex, S.A. de C.V., a provider of manufacturing and shelter services, from June 2002 to August 2003, and as Chief Financial Officer of Franklin Connections / Azar Nut Company, a manufacturer, packager and distributor of candy and nut products, from May 1994 to June 2002. He has served as an investments director in two private investment firms and spent seven years in public accounting. He received his B.S. from St. Mary's College and his Masters Degree of Taxation from DePaul University.

VINCENT D. CARSON, age 51, joined the Company in November 2001. He served in the capacity of Vice President, General Counsel and Secretary from November 2001 to September 2010. Since September 2010, he has served as Senior Vice President, General Counsel and Secretary of the Company. Prior to joining the Company, Mr. Carson had a 16 year legal career in private practice in El Paso, Texas.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee of the Board of Directors of the Company (the Compensation Committee) has reviewed and discussed with management the Compensation Discussion and Analysis for the fiscal year ended February 28, 2011 to be included in the proxy statement for the Annual Meeting filed pursuant to Section 14(a) of the Exchange Act. Based on its review and discussion referred to above, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the proxy statement on Schedule 14A for the Company's Annual Meeting and in the Company's Annual Report on Form 10-K/A for the fiscal year ended February 28, 2011.

Members of the Compensation Committee:

Gary B. Abromovitz, Chairman
Timothy F. Meeker
William F. Susetka
Darren G. Woody

This Report of the Compensation Committee is not soliciting material, and is not deemed filed with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates this information by reference.

COMPENSATION DISCUSSION AND ANALYSIS

Throughout this proxy statement, the following individuals are collectively referred to as the named executive officers :

- Gerald J. Rubin, Chairman of the Board of Directors, Chief Executive Officer and President;
- Thomas J. Benson, Senior Vice President and Chief Financial Officer; and
- Vincent D. Carson, Senior Vice President, General Counsel and Secretary.

We sometimes refer to Messrs. Benson and Carson as other named executive officers .

Revised CEO Employment Agreement

During fiscal year 2011, the compensation of our Chief Executive Officer, Mr. Rubin, was governed by an employment agreement entered into originally in 1999 (1999 Agreement) and a cash bonus performance plan originally adopted in 1997 (1997 Bonus Plan). While these compensation arrangements largely reflected a pay for performance philosophy, many aspects of the 1999 Agreement did not reflect current best practices in executive compensation. Moreover, since the original agreement was entered into in 1999, the Company has grown from sales revenue of \$293.4 million for the fiscal year ending February 28, 1999 to sales revenue of \$777.0 million for the fiscal year ending February 28, 2011. Accordingly, in fiscal 2011, the Compensation Committee retained the services of independent counsel and an independent compensation consultant to negotiate a revised employment agreement with Mr. Rubin. Based upon the recommendation of

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the Compensation Committee, on September 13, 2011, Mr. Rubin and the Company entered into a revised employment agreement (Revised Agreement), effective upon shareholder approval of the Helen of Troy Limited 2011 Annual Incentive Plan (2011 Bonus Plan) and the proposed amendments to the Helen of Troy Limited 2008 Stock Incentive Plan (2008 Stock Plan). The Revised Agreement provides an employment term for Mr. Rubin through February 28, 2015, reflects a pay for performance philosophy and eliminates problematic pay practices included in the 1999 Agreement, such as an evergreen provision, guaranteed stock options, substantially all perquisites and tax reimbursements related to perquisites. A comparison of the terms of the 1999 Agreement and the Revised Agreement appears under Compensation Discussion and Analysis Our Compensation Program for Our Chief Executive Officer Revised CEO Employment Agreement and a more detailed description of the Revised Agreement appears under Executive Compensation Employment Contract for Chairman of the Board, Chief Executive Officer and President.

If the Company's shareholders do not approve the 2011 Bonus Plan and the amendments to the 2008 Stock Plan, then the Revised Agreement will terminate, neither the Company nor Mr. Rubin will have any obligations under the Revised Agreement, the 1999 Agreement will continue in full force and effect and Mr. Rubin's incentive bonus will continue to be calculated in accordance with the 1997 Bonus Plan. For further information, see Proposal 4: Approval of Certain Amendments to the Helen of Troy Limited 2008 Stock Incentive Plan and Proposal 5: Approval of the Helen of Troy Limited 2011 Annual Incentive Plan.

Oversight of Our Executive Compensation Program

The Compensation Committee oversees the compensation of our named executive officers and is composed entirely of independent Directors as defined under the listing standards of NASDAQ. The Compensation Committee is responsible for evaluating the Chief Executive Officer's performance in light of the goals and objectives of the Company. It also makes compensation recommendations with respect to our other executive officers, including approval of awards for incentive compensation and equity-based plans. The Compensation Committee and the Corporate Governance Committee also assist the Board of Directors in developing succession planning for our executive officers.

Objectives of Our Compensation Program

Our compensation program is designed to attract, motivate and retain key employees and to align the long-term interests of the named executive officers with those of our shareholders. The philosophy that the Compensation Committee uses to set executive compensation levels and structures is based on the following principles:

- compensation for our executive officers should be linked to performance;
- a higher percentage of compensation should be performance-based as an executive officer's range of responsibility and ability to influence the Company's results increase;
- compensation should be competitive in relation to the marketplace; and

- outstanding achievement should be recognized.

In addition, we believe that our compensation programs for executive officers should be appropriately tailored to encourage employees to grow our business, but not encourage them to do so in a way that poses unnecessary or excessive material risk to us.

The Role of Chief Executive Officer in Determining Executive Compensation

The Compensation Committee, working with the Chief Executive Officer, evaluates and approves all compensation regarding our named executive officers. Our other named executive officers report directly to our Chief Executive Officer who supervises the day to day performance of those officers. Accordingly, the Chief Executive Officer establishes the criteria and any targets used to determine bonuses, including each other named executive officer's individual performance and Company-based performance factors, and makes recommendations to the Compensation Committee regarding salaries, bonuses and equity awards for the other named executive officers. The Compensation Committee strongly considers the compensation recommendations and the performance evaluations of the Chief Executive Officer in making its decisions and any recommendations to the Board of Directors with respect to non-CEO compensation, incentive compensation plans and equity-based plans that are required to be submitted to the Board. In deliberations or approvals regarding the compensation of the other named executive officers, the Compensation Committee may elect to invite the Chief Executive Officer to be present but not vote. In any deliberations or approvals of the Compensation Committee regarding the Chief Executive Officer's compensation, the Chief Executive Officer is not invited to be present.

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Compensation Consultant and Other Advisers

The Compensation Committee has the exclusive authority to hire compensation, accounting, legal or other advisors. In connection with any such hiring, the Compensation Committee can determine the scope of the consultant's assignments and their fees. The scope of a consultant's services may include providing the Compensation Committee with data regarding compensation trends, assisting the Compensation Committee in the preparation of market surveys or tally sheets or otherwise helping it evaluate compensation decisions. In fiscal 2011, the Compensation Committee retained Pearl Meyer & Partners as its independent compensation consultant and Gibson, Dunn & Crutcher LLP as its independent legal counsel.

Our Compensation Program for Our Chief Executive Officer

Mr. Rubin is a co-founder of the Company, and he served as President of the Company prior to our initial public offering in 1971. Mr. Rubin served as President, Chief Executive Officer, and Chairman of the Board of Directors from 1971 to 1984, and from 1984 to June 2000, he served as Chief Executive Officer and Chairman of the Board of Directors. Since June 2000, Mr. Rubin has served as Chief Executive Officer, Chairman of the Board of Directors and President of the Company. Mr. Rubin sets the overall strategic vision for our Company, and oversees the senior management team and the Company's growth and acquisition strategy.

1999 Employment Agreement

During fiscal 2011, Mr. Rubin's compensation was governed by the 1999 Agreement, which was entered into in 1999, and the 1997 Bonus Plan in which the Chief Executive Officer is the only participant. Because the 1997 Bonus Plan and the 1999 Agreement dictated the terms of Mr. Rubin's compensation, the Compensation Committee's decisions regarding his compensation, other than any discretionary compensation, were limited by the terms of the agreement and the bonus plan. Therefore, the Compensation Committee could not use benchmarking of peer companies in setting Mr. Rubin's compensation for fiscal 2011. However, as discussed under Compensation Discussion and Analysis Our Compensation Program for Our Chief Executive Officer Revised CEO Employment Agreement, on September 13, 2011, Mr. Rubin and the Company entered into the Revised Agreement, which will govern the terms of his employment if shareholders approve the 2011 Bonus Plan and the proposed amendments to the 2008 Stock Plan.

Any bonus earned under the 1997 Bonus Plan was based on a pre-established performance target that has been approved by the Company's shareholders. At the 2003 annual general meeting, the shareholders approved an amendment to the 1997 Bonus Plan to change the performance targets from a pre-tax fixed percentage of earnings to a pre-tax percentage of earnings based on a graduating scale. Shareholders last approved the terms of the performance goals at the 2008 annual general meeting. The performance targets provided that Mr. Rubin's cash bonus would increase or decrease as pre-tax earnings increased or decreased, respectively. This provided Mr. Rubin with an incentive to work to reward positive earnings performance and directly aligned his interests with those of our shareholders. In connection with the amendment to the 1997 Bonus Plan in 2003, Mr. Rubin agreed to a reduction in the number of stock options he would otherwise have been entitled to receive under the 1999 Agreement. Since 2003, Mr. Rubin has received no stock options or other equity awards as the shareholders have not approved an equity plan that would permit Mr. Rubin to participate or receive option grants. As discussed under Proposal 5: Approval of the Helen of Troy Limited 2011 Annual Incentive Plan, the Company is asking shareholders to approve at the Annual Meeting a new bonus plan, the 2011 Bonus Plan, that contains terms and conditions for Mr. Rubin's participation and performance goals revised from the 1997 Bonus Plan. Further, as discussed under Proposal 4: Approval of Certain Amendments to the Helen of Troy Limited 2008 Stock Incentive Plan, the Company is asking shareholders to approve at the Annual Meeting three million additional shares under the 2008 Stock Plan that may be awarded to Mr. Rubin and other Company employees, as well as certain other amendments to the 2008 Stock Plan.

In 2005, the Company and Mr. Rubin entered into an amendment to Mr. Rubin's employment agreement reducing his employment term from five years to three years. The Compensation Committee determined, and Mr. Rubin agreed, that the term reduction was in the best interests of our shareholders in order to effectively eliminate the tax gross up provision that otherwise would have been triggered in the event of a change in control of the Company. By reducing the term of the employment agreement, the amendment also effectively reduced Mr. Rubin's severance as a result of a termination following a change of control to a limit of 2.99 times his base amount as defined in Section 280G(b)(3) of the Code.

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As noted above, Mr. Rubin and the Company entered into the Revised Agreement in September 2011, effective upon the approval of our shareholders at the Annual Meeting of the amendments to the 2008 Stock Plan as described in Proposal 4: Approval of Certain Amendments to the Helen of Troy Limited 2008 Stock Incentive Plan and the 2011 Bonus Plan as described in Proposal 5: Approval of the Helen of Troy Limited 2011 Annual Incentive Plan.

As set forth in the chart below and described in more detail under Executive Compensation Employment Contract for Chairman of the Board, Chief Executive Officer and President, the Compensation Committee believes the Revised Agreement reflects best practices in executive compensation and further aligns the interests of shareholders and Mr. Rubin.

Component	1999 Agreement	Revised Agreement
Term of Agreement	Evergreen	Through February 28, 2015
Equity Grants	Guaranteed Options	Performance-Based Restricted Stock Units
	Immediately Vested	Graduated Vesting
Bonus Plan	All Cash	Mix of Cash and Equity
	Graduated Percentage Based on Earnings from Continuing Operations	Graduated Percentage Based on Adjusted EBITDA (as defined below)
Tax Gross-up	On Perquisites	Eliminated
Other Perquisites	Car & Driver, Disability Insurance, Lifetime Welfare Benefits	Substantially Eliminated
Life Insurance	Company Paid Premiums	Transfers Ownership, and Obligation to Pay Premiums, to CEO Subject to Performance Conditions
Change in Control (1) (2)	Modified Single Trigger	Double Trigger
Severance (2)	Three Years of Annual Base Salary and Incentive Compensation	Reduced over Term of Agreement and Eliminated After Three Years

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(1) The 1999 Agreement provides that Mr. Rubin may receive specified severance benefits based on a modified single trigger, which means Mr. Rubin may terminate his employment within six months after a change in control (as defined in the 1999 Agreement). The Revised Agreement provides for specified severance benefits based on a double trigger, which means that such benefits are only available if, during his employment period, Mr. Rubin's employment is terminated by the Company without cause or Mr. Rubin terminated his employment for good reason, in each case in connection with, or within 12 months following, a change in control (as those terms are defined in the Revised Agreement).

(2) For further information concerning Mr. Rubin's benefits under the 1999 Agreement and the Revised Agreement in connection with the termination of Mr. Rubin's employment, see Executive Compensation Potential Payments Upon Termination or Change in Control.

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Elements of the Compensation Program for Our Chief Executive Officer

The principal current components of compensation for our Chief Executive Officer are:

- base salary;
- performance-based incentive bonuses;
- equity grants (under the Revised Agreement);
- perquisites and other personal benefits (eliminated under the Revised Agreement); and
- post-termination benefits, including change of control benefits.

The Compensation Committee reviews total compensation for the Chief Executive Officer annually and evaluates his performance. Each year, the Compensation Committee also certifies that the amounts of any bonus payments under the 1997 Bonus Plan have been accurately determined and that the performance targets approved by the shareholders, and any other material terms previously established by the Compensation Committee, were in fact satisfied. The Compensation Committee believes that performance-based cash compensation should constitute a substantial portion of our Chief Executive Officer's total compensation. As a result, the Chief Executive Officer's base salary has historically represented a comparatively small percentage of the Chief Executive Officer's total compensation, and it continues to do so under the Revised Agreement. Historically, Mr. Rubin's total compensation has been primarily performance-based and tied directly to the profitability of the Company. Although the annual performance target under the 1997 Bonus Plan has historically determined a large portion of Mr. Rubin's compensation and could be viewed as encouraging a short-term focus at the expense of sustained performance, we believe that several factors mitigate this risk and align his interests with the long-term interests of the Company and our shareholders. First, as one of the largest beneficial owners of Common Stock, the Compensation Committee believes that Mr. Rubin has an incentive to maintain a long-term focus on sustainable performance. Second, significant transactions that could influence short term performance, such as acquisitions, are reviewed and approved by the Board of Directors. Finally, Mr. Rubin shares directly in the risk in any negative impact of underperforming strategic transactions because it reduces his compensation.

Base Salary of Our Chief Executive Officer

We provide our named executive officers and other employees with a base salary to provide a fixed amount of compensation for regular services rendered during the fiscal year. The 1999 Agreement and the Revised Agreement set Mr. Rubin's base salary at \$600,000 per year.

Performance-Based Incentive Bonuses for Our Chief Executive Officer

The Compensation Committee believes that performance-based awards align our executives' interests with our annual corporate goals. The Compensation Committee believes, however, that a significant portion of performance-based compensation at the Chief Executive Officer level is important to the success of the Company and to provide a form of incentive based compensation to Mr. Rubin.

Under the 1997 Bonus Plan, Mr. Rubin's incentive compensation fluctuated depending on the Company's financial performance. Mr. Rubin's incentive bonus under the 1997 Bonus Plan was capped at \$15,000,000 in any one fiscal year. During fiscal 2011, Mr. Rubin was entitled to receive an annual cash incentive bonus based upon a graduated percentage ranging from 5 percent to 10 percent of the annual earnings of the Company as computed under the 1997 Bonus Plan less his base salary. For fiscal 2011, annual earnings for the Company as computed under the 1997 Bonus Plan were approximately \$111.7 million. For more information regarding the 1997 Bonus Plan, see Executive Compensation Employment Contract for Chairman of the Board, Chief Executive Officer and President.

Under the Revised Agreement, Mr. Rubin will continue to participate in the 1997 Bonus Plan for fiscal 2012. Mr. Rubin will also be entitled to participate in the 2011 Bonus Plan for which he will be entitled to receive an annual bonus during each of the fiscal years ended February 28, 2013, February 28, 2014 and February 28, 2015, based on the achievement of performance conditions. Any such bonus that is earned and payable will be paid two-thirds in the form of cash or cash equivalents up to a maximum of \$10,000,000. To further encourage a long-term focus on sustainable performance, the remainder of the bonus will be paid in the form of restricted stock. Any restricted stock will be granted under the 2008 Stock Plan and will vest, with respect to Mr. Rubin's bonus for fiscal years 2013 and 2014, on February 28, 2015, and with respect to Mr. Rubin's bonus for fiscal year 2015, on the date the Compensation Committee certifies the performance goals are achieved, in each case subject to Mr. Rubin's continued employment with the Company (other than in the case of certain termination events as described below). Additionally, under the Revised Agreement and the 2011 Bonus Plan, three life insurance policies and the obligation to pay the associated premiums will be transferred to Mr. Rubin over the term of the agreement subject to the

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Company meeting certain performance conditions. The amount of the annual bonus and value of the transfer of each of the life insurance policies (based on cash surrender values) will be capped under the 2011 Bonus Plan. In the event there are insufficient shares of restricted stock available for issuance pursuant to the 2008 Stock Plan to satisfy amounts owing in respect of the CEO Annual Bonus, the amount of the bonus which is not able to be satisfied in shares of restricted stock will be paid in the form of cash or cash equivalents. The 2011 Bonus Plan and the performance conditions related to the annual cash bonus and the transfer of the insurance policies are subject to the approval of the Company's shareholders. For more information regarding the 2011 Bonus Plan, which contains terms and conditions for Mr. Rubin's participation and performance goals revised from the 1997 Bonus Plan, see Proposal 5: Approval of the Helen of Troy Limited 2011 Annual Incentive Plan.

Equity-Based Compensation for Our Chief Executive Officer

The 1999 Agreement provided that Mr. Rubin was eligible to receive 250,000 stock options on a quarterly basis that immediately vested. However, Mr. Rubin has not received any equity awards under this agreement since 2003 as he has not been eligible to receive awards under any of the Company's equity compensation plans, including the 2008 Stock Plan. The Revised Agreement will eliminate this quarterly grant of stock options.

Under the Revised Agreement, in March 2012, Mr. Rubin will receive 700,000 restricted stock units (the Performance RSUs) that vest over three years if certain performance goals are achieved, subject to shareholder approval of amendments to the 2008 Stock Plan to authorize three million additional shares and provide for Mr. Rubin's participation in the plan, as described under Proposal 4: Approval of Certain Amendments to the Helen of Troy Limited 2008 Stock Incentive Plan.

Perquisites and Other Personal Benefits Provided to Our Chief Executive Officer

In fiscal 2011, the Company provided our Chief Executive Officer with limited perquisites and other personal benefits. The Company is required to provide most of these benefits pursuant to the terms of the 1999 Agreement. The perquisites that were available to Mr. Rubin under the 1999 Agreement include an automobile and a driver, all expenses of operating, maintaining and insuring the automobile, legal assistance, financial planning and tax return preparation up to \$10,000 per year, reimbursement for certain medical care for himself and his wife, and disability insurance coverage. However, in fiscal 2011, Mr. Rubin did not request a driver for his automobile or medical care reimbursement or reimbursement for tax preparation fees. Additionally, in May 2009, Mr. Rubin's individual disability insurance policy expired and was not renewed. The Revised Agreement eliminates all of these perquisites. Under the Revised Agreement, three life insurance policies and the obligation to pay the associated premiums will be transferred to Mr. Rubin over the term of the agreement subject to the Company meeting certain performance conditions. For more information, see Executive Compensation Employment Contract for Chairman of the Board, Chief Executive Officer and President. In fiscal 2011, with approval of the Board of the Directors, Mr. Rubin was reimbursed for a total of \$19,633 in personal legal fees in connection with the review and evaluation of certain proposed amendments to his employment agreement.

The 1999 Agreement also provides that the Company must pay or reimburse Mr. Rubin for reasonable travel and other expenses incurred by him in performing his obligations under his employment agreement, including certain travel expenses incurred by his spouse, and any taxes incurred by him with respect to these payments. During fiscal 2011, there were no payments that resulted in reimbursable tax expense. The Revised Agreement similarly provides that the Company must pay or reimburse Mr. Rubin for reasonable travel and other expenses incurred by him in performing his obligations under his employment agreement but does not provide for reimbursement of travel expenses incurred by his spouse or tax reimbursements. The Company also provides other benefits to Mr. Rubin, such as participation in a 401(k) plan, including matching contributions, group medical, group life and group dental insurance, as well as vacation and paid holidays. These benefits are available to all our employees, including each named executive officer, and we believe they are comparable to those provided at other companies.

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Potential Post-Termination Benefits for our Chief Executive Officer

Change in Control

The 1999 Agreement provides that the Company must make certain payments to Mr. Rubin if he terminated his employment within six months after a change in control (as defined in the 1999 Agreement), a so-called modified single trigger arrangement. The Revised Agreement also provides Mr. Rubin with change of control benefits, but they are double triggered, meaning that they only are available if, during his employment period, Mr. Rubin's employment is terminated by the Company without cause or Mr. Rubin terminated his employment for good reason, in each case in connection with, or within 12 months following, a change in control (as those terms are defined in the Revised Agreement). The benefits under both the 1999 Agreement and the Revised Agreement are more fully described under Executive Compensation Employment Contract for Chairman of the Board, Chief Executive Officer and President and Executive Compensation Potential Payments Upon Termination or Change in Control.

The change in control provisions are intended to ensure that we will retain the benefit of Mr. Rubin's services without distraction in the face of a potential change in control and that Mr. Rubin will evaluate potential transactions on an objective basis. The change in control provisions set forth in Mr. Rubin's employment agreement may not be modified by the Compensation Committee without obtaining Mr. Rubin's approval.

Severance

The 1999 Agreement provides that, if Mr. Rubin's employment was terminated by the Company without cause or if he terminated his employment for good reason (as those terms are defined in the 1999 Agreement) or as a result of a change in control, then for the three years following any such event, he would have been entitled to receive, among other things, monthly payments of his base salary and annual bonus payments equal to the highest annual bonus paid to him in the preceding three years. Mr. Rubin also would be entitled to receive certain benefits following a termination of his employment by reason of death or disability. These benefits are more fully described under Executive Compensation Employment Contract for Chairman of the Board, Chief Executive Officer and President and Executive Compensation Potential Payments upon Termination or Change in Control. The 1999 Agreement also provides for the immediate vesting of all options granted to Mr. Rubin if his employment was terminated by the Company without cause, if he terminated his employment for good reason, including in the event of a change of control, or if his employment was terminated for death or disability.

Under the Revised Agreement, if, during the employment period, Mr. Rubin terminates his employment for good reason or the Company terminates his employment without cause, in each case other than in connection with a change in control (as those terms are defined in the Revised Agreement), then the restrictions on restricted stock, restricted stock units and other stock awards granted to Mr. Rubin prior to the date of termination will be removed (other than the Performance RSUs for which the applicable performance conditions have not been achieved as of the date of termination) and all option awards granted to Mr. Rubin prior to the date of termination will vest. In addition, he is entitled to \$30,000,000 if his employment terminates before February 28, 2013, \$20,000,000 if his employment terminates on or after February 28, 2013 but before February 28, 2014 and \$15,000,000 if his employment terminates on or after February 28, 2014 but not later than February 28, 2015, payable in cash and/or shares of Common Stock at the Compensation Committee's discretion. Mr. Rubin also is entitled to receive certain benefits following a termination of his employment by reason of death or disability or a change of control and termination during the employment period. These benefits are more fully described under Executive Compensation Employment Contract for Chairman of the Board, Chief Executive Officer and President and Executive Compensation Potential Payments upon Termination or Change in Control.

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The Company's Compensation Program for Other Named Executive Officers

The Company's other named executive officers are not party to employment agreements. As a result, their compensation is reviewed and determined by the Compensation Committee on an annual basis. The Compensation Committee may also review a named executive officer's compensation if that executive officer is promoted or experiences a change in responsibilities.

Our other named executive officers report directly to our Chief Executive Officer who supervises the day to day performance of those officers. Our Chief Executive Officer annually reviews our executive compensation program (other than for himself) and makes compensation recommendations to the Compensation Committee with respect to the named executive officers, among others. The Compensation Committee strongly considers the recommendations of the Chief Executive Officer in making its decisions and any recommendations to the Board of Directors with respect to non-CEO compensation, incentive compensation plans and equity-based plans that are approved by the Board. The Compensation Committee has engaged Equilar in order to gain access to its compensation database and uses the database in order to assist the Compensation Committee in evaluating compensation trends and market practice for the non-CEO named executive officers.

Elements of Our Compensation Program for Our Other Named Executive Officers

The principal components of compensation for our other named executive officers are:

- Base salary;
- Bonuses, including performance-based incentive bonuses;
- Long-term equity compensation; and
- Other personal benefits.

The Company has no pre-established policy or target for the allocation between either cash and non-cash or short-term and long-term incentive compensation. Rather, the Compensation Committee reviews the performance of the Company and the individuals and determines the appropriate level and mix of compensation elements.

Base Salary of Our Other Named Executive Officers

The Company provides our other named executive officers with a base salary to provide a fixed amount of compensation for regular services rendered during the fiscal year. In setting or increasing base salaries, the Compensation Committee strongly considers the recommendations made by our Chief Executive Officer. In addition, the committee considers each executive's job responsibilities, qualifications, experience, performance history and length of service with the Company and comparable salaries paid by our competitors. The Compensation Committee may, in its discretion, increase the base salary of other named executive officers based on that named executive officer's performance. No increase in base salary of either of the other named executive officer was made in fiscal 2011 other than Mr. Carson. The Chief Executive Officer recommended, and the Compensation Committee approved, an annual base salary increase of \$25,000 to Mr. Carson to make his base salary more competitive and to recognize his promotion to Senior Vice President during fiscal 2011. In establishing the base salary of Mr. Carson, the Compensation Committee reviewed and evaluated a survey of compensation of general counsel published by Altman Weil Publications.

Annual Incentive Bonuses for Our Other Named Executive Officers

Performance-based awards are intended to align executives' interests with our annual corporate goals. Annual incentive bonuses take into account both individual and corporate performance, including the Company's earnings. While the amount of funds available for distribution as bonuses varies with Company earnings, the actual amount that may be distributed is subjectively determined each year considering recommendations made by our Chief Executive Officer and reviewed by the Compensation Committee.

For fiscal 2011, the Chief Executive Officer established an annual incentive target for each of Messrs. Benson and Carson, which is expressed as a percentage of the executive's base salary paid during fiscal 2011. For fiscal 2011, the annual incentive target was set at 30% for Messrs. Benson and Carson. As a result, Mr. Benson was eligible to receive up to \$123,000 related to this bonus, and Mr. Carson was eligible to receive up to \$78,750. After the end of fiscal 2011, the Chief Executive Officer reviewed the Company's financial results and condition and the executive officer's individual performance for fiscal 2011. No specific weights were applied to any factor. The Chief Executive Officer noted that the Company

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performed admirably in fiscal 2011, despite a challenging environment. This was evidenced by, among other things, sales of \$777.0 million, operating income before impairments of \$113.9 million and cash flows from operations of \$87.4 million. As a result of this analysis and considering the individual performance of these executive officers, the annual incentive award percentage payout for Messrs. Benson and Carson was 100% of their target annual incentive opportunity. These bonuses were reviewed and approved by the Compensation Committee.

The remainder of Messrs. Benson's and Carson's bonus for fiscal 2011 was recommended by the Chief Executive Officer in recognition of the significant efforts of Messrs. Benson and Carson in connection with the Company's acquisition of Kaz, Inc. that closed December 2010. As a result of the substantial work performed by Messrs. Benson and Carson that helped lead to a successful closing of the acquisition, Mr. Benson and Mr. Carson each received a \$150,000 bonus for fiscal 2011. These bonuses were reviewed and approved by the Compensation Committee.

Although incentive bonuses are primarily based on individual and corporate performance, in some circumstances the Compensation Committee may provide additional discretionary bonus awards. The Compensation Committee believes that discretionary bonuses, where warranted, can be effective in motivating, rewarding and retaining our executive officers. In fiscal 2011 a holiday bonus equal to two weeks of base salary totaling \$15,769 for Mr. Benson and \$10,577 for Mr. Carson was awarded.

Long-Term Equity Compensation for Our Other Named Executive Officers

At the 2008 annual general meeting of shareholders, the Company's shareholders approved the 2008 Stock Plan, which the Company uses to grant equity awards to its named executive officers and to key employees. Equity-based compensation and ownership give these individuals a continuing stake in the long-term success of the Company, and the delayed vesting of stock options helps to encourage retention. The Compensation Committee and the Board of Directors believe that the executive officers and key employees of the Company should be rewarded for earnings performance that may result from their efforts and believe this should be accomplished, in part, by awarding equity compensation to these individuals, which increase their stake in the Company's long-term success and further align their interests with those of shareholders. For more information regarding the Company's long term equity compensation, see Executive Compensation - Equity Compensation Plan Information. As noted above and under Proposal 4: Approval of Certain Amendments to the Helen of Troy Limited 2008 Stock Incentive Plan, the Company is seeking shareholder approval of amendments to the 2008 Stock Plan to, among other things, authorize three million additional shares and provide for Mr. Rubin's participation in the plan.

At the 2008 annual general meeting of shareholders, the Company's shareholders also approved the 2008 Employee Stock Purchase Plan (the 2008 ESPP). Prior to the approval of the 2008 ESPP, the Company maintained the 1998 Employee Stock Purchase Plan, which terminated by its own terms on July 17, 2008. All employees that own less than five percent of the total combined voting power or value of all classes of stock of the Company or any of its subsidiaries are eligible to participate in the 2008 ESPP, including the named executive officers. During fiscal 2011, Thomas J. Benson, one of our named executive officers, participated in the 2008 ESPP. Under the plan, employees are entitled to purchase shares of the Company's Common Stock at a discount to market value. The purchase price is 85 percent of the closing sale price of the Common Stock on NASDAQ on either the first day or last day of each option period, whichever is less. As of February 28, 2011, 281,137 shares remain available for issuance under the 2008 ESPP. For an additional discussion of the material terms of the 2008 ESPP, see Executive Compensation - Equity Compensation Plan Information - Employee Stock Purchase Plan.

Other Benefits Provided for Our Other Named Executive Officers

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We provide other benefits to the named executive officers, such as participation in a 401(k) plan, including matching contributions, group medical, group life and group dental insurance, as well as vacation and paid holidays. These benefits are available to all our employees, including each named executive officer, and we believe they are comparable to those provided at other companies.

Option Grant Practices

Grants of stock options are made without regard to anticipated earnings or other material announcements by the Company. Under the 2008 Stock Plan, the exercise price of stock options granted under the plan may not be less than the closing price of our common shares on NASDAQ on the date of the grant. The vesting period of options for other named executive officers has historically been over a five year period at the graduated rate per year of 10, 15, 20, 25 and 30 percent. The Compensation Committee believes that these vesting terms encourage retention of our executive officers. The Compensation Committee may, however, adjust the vesting of options as it deems necessary under the circumstances. Our Compensation Committee normally determines any annual grants of stock options to other named executive officers and employees on the next business day following the filing of the Company's annual report on Form 10-K.

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Tax Implications of Executive Compensation

Section 162(m) of the Code places a limit of \$1,000,000 on the amount of compensation that a company may deduct in any one year with respect to its principal executive officer and each of its other three most highly paid executive officers other than the Chief Financial Officer. There is an exception to the \$1,000,000 limitation for performance-based compensation that meets certain requirements. Annual cash incentive compensation and stock option awards are generally forms of performance-based compensation that meet those requirements and, as such, are fully deductible.

Grants of stock options to our named executive officers under our 2008 Stock Plan and the proposed grant of the Performance RSUs are intended to comply with Section 162(m) for treatment as performance-based compensation. Therefore, we expect to be able to deduct compensation of our named executive officers related to compensation under each of these plans. As discussed under Proposal 4: Approval of Certain Amendments to the Helen of Troy Limited 2008 Stock Incentive Plan, Mr. Rubin will receive the Performance RSUs that vest on a graduated basis if certain performance conditions are achieved, subject to shareholder approval of amendments to the 2008 Stock Plan to, among other things, authorize three million additional shares and provide for Mr. Rubin's participation in the plan.

The incentive cash bonus payments to our Chief Executive Officer under the 1997 Bonus Plan and the 2011 Bonus Plan are intended to be designed to comply with Section 162(m) for treatment as performance based compensation. Section 162(m) allows companies to deduct, for federal income tax purposes, certain performance-based compensation over \$1,000,000. The material terms of the pre-established performance goals for the awards under the 1997 Bonus Plan and the 2011 Bonus Plan must be approved by the shareholders every five years in order for the Company to be eligible to deduct for tax purposes the incentive awards paid under those plans. The Company's shareholders last approved the terms of the performance goals under the 1997 Bonus Plan at the 2008 annual general meeting. As discussed under Proposal 5: Approval of the Helen of Troy Limited 2011 Annual Incentive Plan, the Company is asking shareholders to approve at the Annual Meeting a new bonus plan, the 2011 Bonus Plan, that contains terms and conditions for Mr. Rubin's participation and performance goals revised from the 1997 Bonus Plan.

The Compensation Committee has considered and will continue to consider tax deductibility in structuring compensation arrangements. However, the Compensation Committee retains discretion to establish executive compensation arrangements that it believes are consistent with the principles described earlier and in the best interests of our Company and its shareholders, even if those arrangements may not be fully deductible under Section 162(m).

Table of Contents**EXECUTIVE COMPENSATION**

The following table sets forth the summary of compensation earned during fiscal 2009 through fiscal 2011 by the Company's Chief Executive Officer, Chief Financial Officer and one other executive officer whose total compensation exceeded \$100,000 and who was serving as an executive officer at the end of the fiscal 2011 (such persons referred to collectively, as the named executive officers).

Summary Compensation Table

				Option	All Other	
	Fiscal	Salary	Bonus	Awards	Compensation	Total
Name and principal position	Year	(\$)	(\$)(1)	(\$)(2)	(\$)(3)	(\$)
Gerald J. Rubin	2011	600,000	10,569,299	-	104,638	11,273,937
Chairman, Chief Executive	2010	600,000	8,213,019	-	92,730	8,905,749
Officer, and President	2009	600,000	-	-	87,160	687,160
Thomas J. Benson	2011	410,000	288,769	-	11,325	710,094
Senior Vice President	2010	410,000	115,769	38,250	1,242	565,261
and Chief Financial Officer	2009	410,000	1,500	47,070	8,142	466,712
Vincent D. Carson	2011	262,500	239,327	-	10,425	512,252
Senior Vice President, General	2010	250,000	74,615	38,250	882	363,747
Counsel and Secretary	2009	250,000	1,500	70,605	7,710	329,815

(1) Mr. Rubin's bonuses were calculated and awarded pursuant to the 1997 Bonus Plan.

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(2) These amounts reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718, as required under SEC rules. Further information regarding the awards is included in Outstanding Equity Awards at Fiscal Year-End 2011 and Equity Compensation Plan Information. Assumptions used in the calculation of the grant date fair value of these options are discussed in Note (14) to the Company's audited financial statements for the fiscal year ended February 28, 2011, included in the Company's Annual Report on Form 10-K for the year then ended, filed with the SEC on May 16, 2011.

(3) This column reports all other compensation for the covered fiscal year that the Company could not properly report in any other column of the Summary Compensation Table. Details regarding the amounts in this column for fiscal 2011 are provided in the table entitled All Other Compensation for Fiscal Year 2011 set forth on the following page.

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In fiscal 2011, the following compensation was paid to our named executive officers, which comprises All Other Compensation :

All Other Compensation for Fiscal Year 2011
--

					Life	
	401(k) Plan	Group Life	Auto	Legal	Insurance	
Name	(\$)	(\$)	Lease	Fees	Benefit	Total
			(\$)	(\$)	(\$)(1)	(\$)
Gerald J. Rubin	11,350	4,191	18,586	19,633	50,878	104,638
Thomas J. Benson	10,083	1,242	-	-	-	11,325
Vincent D. Carson	9,183	1,242	-	-	-	10,425

(1) Includes amounts attributable to the economic benefit received for executive and survivorship life insurance policies. The economic benefit of such policies totaled \$50,878 in fiscal 2011. For fiscal 2011, the Board of Directors directed that premium payments in the total amount of \$355,542 be made towards the next year's premiums.

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The following table sets forth certain information with respect to outstanding equity awards at February 28, 2011 with respect to our named executive officers.

Outstanding Equity Awards at Fiscal Year-End 2011
--

	Option Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date (1)
Name	Exercisable	Unexercisable		
Gerald J. Rubin (2)	250,000	-	13.03	5/31/12
	250,000	-	11.84	8/31/12
	250,000	-	10.08	11/30/12
	250,000	-	13.13	2/28/13
	250,000	-	14.94	5/31/13
	250,000	-	21.47	8/31/13
	125,000	-	22.81	11/30/13
Thomas J. Benson	50	-	21.21	8/22/13
	4,125	-	18.00	11/25/15
	3,375	4,125 (3)	26.14	5/15/17
	1,250	3,750 (3)	22.46	8/19/18
	500	4,500 (3)	18.80	5/15/19
Vincent D. Carson	5,000	-	14.02	11/1/12
	5,000	-	23.38	12/1/13
	4,000	-	18.00	11/25/15
	1,875	5,625 (4)	22.46	8/19/18
	500	4,500 (4)	18.80	5/15/19

(1) All options listed in this table have an expiration date ten years from the date of grant.

(2) Mr. Rubin's stock options are 100 percent vested. Subsequent to February 28, 2011, Mr. Rubin exercised all of his options.

(3) Mr. Benson's options were granted with original vesting terms over a five year period at the graduated rate per year of 10, 15, 20, 25 and 30 percent.

(4) Mr. Carson's options were granted with original vesting terms over a five year period at the graduated rate per year of 10, 15, 20, 25 and 30 percent.

The following table provides information on all exercises of stock options by our named executive officers during fiscal 2011:

Option Exercises

Name	Option Awards			
	Number of Shares Acquired on Exercise (#)			Value Realized on Exercise (\$)
Thomas J. Benson	60,208			457,849
Vincent D. Carson	10,000			202,950

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**EMPLOYMENT CONTRACT FOR CHAIRMAN OF THE BOARD,
CHIEF EXECUTIVE OFFICER AND PRESIDENT**

During fiscal 2011, the compensation of our CEO, Mr. Rubin, was governed by the 1999 Agreement and the 1997 Bonus Plan. On September 13, 2011, Mr. Rubin and the Company entered into the Revised Agreement to provide an employment term for Mr. Rubin through February 28, 2015 and substantially revise other aspects of the 1999 Agreement. The Revised Agreement will become effective upon, and is subject to, shareholder approval of: (1) the 2011 Bonus Plan, that contains terms and conditions for Mr. Rubin's participation and performance goals revised from the 1997 Bonus Plan, as described under Proposal 5: Approval of the Helen of Troy Limited 2011 Annual Incentive Plan; and (2) the proposed amendment of the 2008 Stock Plan to, among other things, authorize three million additional shares that may be awarded to Mr. Rubin and other Company employees under the 2008 Stock Plan, as described under Proposal 4: Approval of Certain Amendments to the Helen of Troy Limited 2008 Stock Incentive Plan.

If shareholders approve the 2011 Bonus Plan and the amendments to the 2008 Stock Plan, the terms of the Revised Agreement and 2011 Bonus Plan, which are described under Revised Agreement below, will govern Mr. Rubin's compensation, and the 1999 Agreement and, beginning with fiscal year 2013, the 1997 Bonus Plan, will no longer be in effect. If shareholders do not approve the 2011 Bonus Plan or the amendment of the 2008 Stock Plan, the terms of the 1999 Agreement and the 1997 Bonus plan, which are described under 1999 Agreement, will continue to govern Mr. Rubin's compensation and neither the Company nor Mr. Rubin will have any obligations under the Revised Agreement.

1999 Agreement

During fiscal 2011, Mr. Rubin's compensation was governed by the 1999 Agreement and his participation in the 1997 Bonus Plan. Because the 1997 Bonus Plan and the 1999 Agreement dictated the terms of Mr. Rubin's compensation, the Compensation Committee's decisions regarding his compensation, other than any discretionary compensation, were limited by the terms of the 1999 Agreement and the 1997 Bonus Plan.

Mr. Rubin serves as the Company's Chief Executive Officer and President pursuant to the 1999 Agreement, which provides for an annual base salary of \$600,000. Mr. Rubin is eligible to receive an annual cash bonus payable in accordance with the 1997 Bonus Plan. The term of Mr. Rubin's employment under the 1999 Agreement is three years and automatically renews daily for a three year term.

The annual cash bonus under the 1997 Bonus Plan to Mr. Rubin is payable based on the earnings achieved by the Company in any applicable fiscal year according to the following scale:

Amount Of Bonus Payable As A Percent Of Earnings (ECO)	Amount Of Earnings (ECO) Achieved By The Company In The Applicable Fiscal Year
5%	\$ - 0 - to \$ 30,000,000
6%	\$ 30,000,001 to \$ 40,000,000

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7%	\$ 40,000,001	to	\$ 50,000,000
8%	\$ 50,000,001	to	\$ 60,000,000
9%	\$ 60,000,001	to	\$ 70,000,000
10%	\$ 70,000,001	or more	

For the purposes of the bonus calculation, earnings, also referred to as ECO (as defined in the 1997 Bonus Plan), means the sum of the consolidated income from continuing operations before giving effect to Mr. Rubin's bonus and all income taxes of the Company and its subsidiaries, minus extraordinary income, plus extraordinary expenses, minus capital gains, and plus capital losses. All components of the calculation are required to be determined in accordance with GAAP. The base salary paid to Mr. Rubin in the fiscal year then reduces the amount of the incentive bonus calculated above.

On February 14, 2011, the Compensation Committee approved an amendment to the 1997 Bonus Plan to provide that (1) with respect to the performance period for the Company's fiscal year ending February 28, 2011, for the purpose of computing the bonus payable to the Company's chief executive officer under the provisions of the plan, ECO, to the extent attributed to Kaz Inc. and its subsidiaries for the performance period was reduced by the lesser of \$1,666,667 or an amount equal to the ECO of Kaz Inc. and its subsidiaries for the period beginning January 1, 2011 through and including February 28, 2011, and (2) beginning with the performance period for the Company's fiscal year ending February 29, 2012 and for each performance period thereafter, ECO will be reduced by \$10 million for the purpose of computing the bonus payable to the Company's chief executive officer under the provisions thereof. Mr. Rubin's incentive bonus for any fiscal year cannot exceed \$15,000,000. For fiscal 2011, Mr. Rubin received an annual cash bonus of \$10,569,299.

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Shareholder approval of the material terms of the 1997 Bonus Plan permits the Company to deduct, for federal income tax purposes, certain performance-based compensation over \$1,000,000 paid to the Chief Executive Officer and certain other named executive officers under the 1997 Bonus Plan. The material terms of the pre-established performance goals for the awards under the 1997 Bonus Plan must be approved by the shareholders every five years in order to permit the Company to continue to deduct fully for tax purposes the incentive awards paid under the 1997 Bonus Plan. At the Company's 2008 annual general meeting of shareholders in August 2008, the Company's shareholders approved the terms of the performance goals under the 1997 Bonus Plan. The Company's shareholders also approved amendments to the 1997 Bonus Plan to correct certain clerical errors and to clarify the timing of payments under the 1997 Bonus Plan in compliance with the requirements of Section 409A of the Code. In December 2008, the Compensation Committee approved and the Company and Mr. Rubin executed an amendment to the 1999 Agreement, effective as of December 30, 2008. The intent of the amendment was to make the provisions of Mr. Rubin's employment agreement comply with the applicable requirements of Sections 409A and 457A of the Code.

Mr. Rubin has not received any equity awards pursuant to the 1999 Agreement since 2003 and is not presently eligible to receive grants of stock options under any of the Company's equity compensation plans, including the 2008 Stock Plan. While the terms of the 1999 Agreement state that Mr. Rubin is entitled to receive immediately vested options to purchase 125,000 shares of Common Stock on the last business day of each of the Company's fiscal quarters (or options to purchase a total of 500,000 shares of Common Stock each year), no such options are required to be granted if there is insufficient availability for such grants under the Company's equity compensation plans. Mr. Rubin is not eligible to participate in the 2008 Stock Plan; consequently, he is not presently entitled to receive options under the 1999 Agreement. As discussed under Proposal 4: Approval of Certain Amendments to the Helen of Troy Limited 2008 Stock Incentive Plan, the Company is asking shareholders to, among other things, approve three million additional shares under the 2008 Stock Plan that may be awarded to Mr. Rubin and other Company employees.

During fiscal 2011, the Company was required to provide Mr. Rubin with certain perquisites and other personal benefits pursuant to the terms of the 1999 Agreement, although, as discussed below, Mr. Rubin did not request several of these benefits. The 1999 Agreement provides for the following perquisites:

- *Automobile.* The Company provides Mr. Rubin with an automobile. All expenses of operating, maintaining, and insuring the automobile are paid by the Company. Mr. Rubin is also entitled to have a driver at the Company's expense, but in fiscal 2011 he did not request this perquisite.
- *Legal Assistance, Financial Planning, and Tax Return Preparation.* The Company has agreed to pay for, or reimburse Mr. Rubin for, up to \$10,000 per year for expenses incurred in connection with his obtaining routine legal assistance, financial planning and tax return preparation. In fiscal 2011, with approval from the Board of Directors, Mr. Rubin was reimbursed for a total of \$19,633 in personal legal fees incurred in connection with the review and evaluation of certain proposed amendments to the 1999 Agreement. In fiscal 2011, Mr. Rubin did not request reimbursement for tax return preparation fees.
- *Medical Care Reimbursement.* Mr. Rubin is entitled to reimbursement for medical care for himself and his wife, to the extent those expenses are not reimbursed by insurance. In fiscal 2011, Mr. Rubin did not request this perquisite.
- *Disability Insurance.* Since Mr. Rubin reached age 65 during fiscal 2009, the Company no longer provides supplemental disability insurance, as it had previously. Mr. Rubin is also covered by our group disability insurance policy, which is generally available to all our employees.
- *Life Insurance.* Prior to fiscal 2002, the Company paid premiums on an executive universal life insurance policy on the life of Mr. Rubin in the initial insured amount of \$5,000,000. In June 2000, the Company and Mr. Rubin entered into a split-dollar agreement, pursuant to which the Company is entitled to reimbursement for all premiums it has paid on the policy out of any death benefits paid on the life of Mr. Rubin. No premiums have been paid on the policy since fiscal 2002. As of February 28, 2011, the total aggregate death benefit under the policy was \$5,132,765, the aggregate cash surrender value of the policy was \$132,765, and the aggregate premiums paid by the Company since inception of the policy was \$922,774.

Prior to July 2003, the Company also had paid premiums for survivorship life insurance policies on the lives of Mr. and Mrs. Rubin in the initial aggregate insured amount of \$29,000,000. The Company and a trust established for the benefit of Mr. and Mrs. Rubin, The Gerald J. and Stanley N. Rubin 1994 Irrevocable Trust (the Trust), which was the owner of the life insurance policies, entered into a split-dollar insurance agreement in March 1994 whereby the Trust agreed to repay the Company all of the premiums paid under the policies from the proceeds of the policies. The Trust owned the policies and collaterally assigned the proceeds from these policies as collateral for the obligation to repay the aggregate premiums paid by the Company under these policies. In July 2003, the Trust and the Company entered into a split-dollar life

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insurance agreement under which the Trust transferred ownership of the policies to the Company. Under the 1999 Agreement, upon the death of the second to die of Mr. and Mrs. Rubin, the Company will receive the cash surrender value of the policies, and the Trust will receive the balance of the proceeds. The Company will also be entitled to the cash surrender value of the policies if the policies are cancelled. The Board of Directors decides annually whether to pay annual premiums on the policies. During fiscal 2011, the Board of Directors decided to make payments of \$355,542 toward the next year's premiums. As of February 28, 2011, the total aggregate death benefit of the policies was \$33,006,082, the aggregate cash surrender value of the policies was \$8,521,872, and the aggregate premiums paid by the Company since inception of the policies was \$6,238,128.

The Company also provides other benefits to Mr. Rubin, such as a 401(k) plan (including matching contributions), group medical, group life and group dental insurance, as well as vacation and paid holidays. These benefits are available to all our employees, including each named executive officer, and we believe they are comparable to those provided at other companies.

The 1999 Agreement provides that the Company must pay or reimburse Mr. Rubin for reasonable travel and other expenses incurred by him in performing his obligations under the 1999 Agreement, including travel expenses incurred by his spouse if she travels with him while he performs his obligations under the employment agreement. During fiscal 2011, there was no reimbursement of spousal travel expenses. Under the 1999 Agreement, the Company will also reimburse Mr. Rubin for any taxes incurred by him with respect to these payments. During fiscal 2011, there were no payments that resulted in reimbursable tax expense.

If Mr. Rubin's employment with the Company is terminated by an occurrence other than death, disability, voluntary termination or for cause, he will receive the following:

- payments, each in an amount equal to his monthly rate of basic compensation, that would otherwise have been payable to him if he had continued in the employ of the Company until the 1999 Agreement would have expired but for said occurrence; and
- payments, payable annually after the close of each of the next three fiscal years of the Company, each in an amount equal to the highest annual incentive compensation and bonus award made to Mr. Rubin with respect to the Company's most recent three fiscal years ending prior to the date of termination.

If any of these payments are payable during the six month period following Mr. Rubin's separation from service then that amount will be paid in a single lump sum payment on the earlier to occur of Mr. Rubin's death or the first day of the seventh month following Mr. Rubin's separation from service.

Under the 1999 Agreement, if Mr. Rubin's employment is terminated by an occurrence other than by death, disability, voluntary termination or cause, Mr. Rubin will also receive: (1) all amounts earned, accrued or owing but not yet paid to him, (2) immediate vesting of all options granted to him, (3) removal of all restrictions on restricted stock awarded to him and immediate vesting of the rights to such stock, if any, (4) medical benefits for him and his wife for life and (5) paid premiums of his life insurance policies, as required under his employment agreement. At September 13, 2011, Mr. Rubin did not own any restricted stock or options. Mr. Rubin will also continue to participate in all employee benefits plans, programs or arrangements available to Company executives in which he was participating on the date of termination until the date the employment agreement would have expired but for said occurrence or, if earlier, until he receives equivalent benefits and coverage by another employer.

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Under the terms of the 1999 Agreement, Mr. Rubin may elect to terminate his employment for good reason (as defined in the 1999 Agreement) within six months of a change of control (as defined in the 1999 Agreement). In the event that Mr. Rubin elects to terminate his employment in that circumstance, he will be entitled to receive the same payments as he would have been entitled to receive had his employment terminated by an occurrence other than by death, disability, voluntary termination or cause in accordance with the same payment terms. In no event will these severance payments to Mr. Rubin exceed 2.99 times his base amount, as defined in Section 280G of the Code.

Table of Contents**Revised Agreement**

Pursuant to the Revised Agreement, Mr. Rubin will continue to serve as the Chairman of the Board and the Company's Chief Executive Officer and President for a fixed term that, subject to earlier termination by either party, will end on February 28, 2015. The Revised Agreement will not automatically renew at the end of the term (in contrast to the 1999 Agreement, which renewed daily).

The Revised Agreement provides that Mr. Rubin is eligible to receive an annual base salary of \$600,000 and receive an annual bonus payable, with respect to fiscal year 2012, in cash pursuant to the 1997 Bonus Plan (for which the terms of Mr. Rubin's participation are described under "1999 Agreement" above), and with respect to fiscal years 2013, 2014 and 2015, payable as a mix of cash or cash equivalents and restricted stock pursuant to the 2011 Bonus Plan.

Under the 2011 Bonus Plan, Mr. Rubin's bonus will be based on the Company's achievement of Adjusted EBITDA. Adjusted EBITDA is defined as operating income (loss) before impairment charges plus depreciation and amortization charges, in each case, of the Company and its subsidiaries, as determined in accordance with GAAP plus the amount of Mr. Rubin's bonus (without giving effect to any bonus received in respect of a transfer of Insurance Policies, as defined below) accrued during the applicable year. The Adjusted EBITDA formula is subject to adjustment in the event that the Company or any of its subsidiaries consummates (1) an acquisition of the stock or the operating, income or revenue producing assets of any entity whether through a merger, consolidation, combination, asset purchase or similar transaction or (2) a divestiture of the stock or the operating, income or revenue producing assets of the Company or any subsidiary or other entity consolidated or combined with or included in the financial statements of the Company and its subsidiaries whether through a merger, consolidation, combination, asset sale, spin-off or similar transaction.

For each of fiscal years 2013, 2014 and 2015, Mr. Rubin's bonus will be calculated by multiplying the applicable percentage by Adjusted EBITDA, as set forth in the table below, subject to a maximum bonus of \$25,000,000:

Performance Conditions for the Annual Bonus

Performance Tiers					
				Amount of Bonus	
If Adjusted EBITDA is:				Payable as a % of	
				Adjusted EBITDA	
Greater Than			Less Than or Equal To:		
(\$ in Millions)			(\$ in Millions)		
-----			\$0.0		0%
\$0.0			\$50.0		2.0%
\$50.0			\$75.0		3.5%
\$75.0			\$100.0		5.0%
\$100.0			\$125.0		6.0%
\$125.0			\$150.0		7.0%
\$150.0			\$175.0		8.0%
\$175.0					8.5%

Mr. Rubin's annual bonus under the 2011 Bonus Plan is payable two-thirds in the form of cash or cash equivalents, up to a maximum of \$10,000,000, and the remainder in the form of restricted stock (subject to availability of shares under the 2008 Stock Plan). The shares of restricted stock will vest, with respect to Mr. Rubin's bonus for fiscal years 2013 and 2014, on February 28, 2015, and with respect to Mr. Rubin's bonus for fiscal year 2015, upon the Compensation Committee's certification of the attainment of the Adjusted EBITDA goal for fiscal year 2015, in each case subject to Mr. Rubin's continued employment with the Company (other than in the event of certain termination events as described below).

Pursuant to the Revised Agreement, in March 2012 Mr. Rubin is entitled to receive a grant of 700,000 restricted stock units (the Performance RSUs) under the 2008 Stock Plan, which may be earned in tranches based on the Company's achievement of specified EBITDA ROIC (as defined below) goals for fiscal years 2013, 2014 and 2015. Any earned Performance RSUs are subject to additional time-based vesting requirements, as follows:

- *Tranche 1 Performance RSUs.* Up to 100,000 Performance RSUs may be earned based on the Company's achievement of EBITDA ROIC goals for fiscal year 2013, as set forth below. Earned Tranche 1 Performance RSUs, if any, are subject to additional time-based vesting conditions, with 33.4% vesting upon the Compensation Committee's certification of the attainment of the EBITDA ROIC goal for fiscal year 2013, 33.3% vesting on February 28, 2014 and 33.3% vesting on February 28, 2015, in each case subject to Mr. Rubin's continued employment with the Company (other than in the event of certain termination events as described below).

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- *Tranche 2 Performance RSUs.* Up to 200,000 Performance RSUs may be earned based on the Company's achievement of EBITDA ROIC goals for fiscal year 2014, as set forth below. Earned Tranche 2 Performance RSUs, if any, are subject to additional time-based vesting conditions, with 66.7% vesting upon the Compensation Committee's certification of the attainment of the EBITDA ROIC goal for fiscal year 2014 and 33.3% vesting on February 28, 2015, in each case subject to Mr. Rubin's continued employment with the Company (other than in the event of certain termination events as described below).
- *Tranche 3 Performance RSUs.* Up to 700,000 Performance RSUs (less the number of Tranche 1 Performance RSUs and Tranche 2 Performance RSUs previously earned, if any) may be earned based on the Company's achievement of EBITDA ROIC goals for fiscal year 2015, as set forth below. Earned Tranche 3 Performance RSUs, if any, vest in full upon the Compensation Committee's certification of the attainment of either the EBITDA ROIC goal for fiscal year 2015 or the three-year average EBITDA ROIC goal for fiscal years 2013-2015, subject to Mr. Rubin's continued employment with the Company through February 28, 2015 (other than in the event of certain termination events as described below).

Performance Conditions for the Performance RSUs

Tranche 1		Tranche 2				Tranche 3			
If FYE 2/13 EBITDA ROIC is:		Units Earned	If FYE 2/14 EBITDA ROIC is:		Units Earned	If FYE 2/15 EBITDA ROIC <i>or</i> 3-year average EBITDA ROIC is:		Units Earned	
Greater than:	But less than:		Greater than:	But less than:		Greater than:	But less than:		
	7.00%	0		7.00%	0		7.00%	0	
7.00%	8.50%	25,000	7.00%	8.75%	50,000	7.00%	9.00%	175,000	Less shares previously earned
8.50%	9.50%	50,000	8.75%	10.00%	100,000	9.00%	10.50%	350,000	Less shares previously earned
9.50%	10.50%	75,000	10.00%	11.25%	150,000	10.50%	12.00%	525,000	Less shares previously earned
10.50%		100,000	11.25%		200,000	12.00%		700,000	Less shares previously earned

EBITDA ROIC means, a ratio of (1) operating income (loss) after impairment charges, plus depreciation and amortization charges, plus, to the extent included in income (loss) above, any impairment charges, in each case, of the Company and its subsidiaries as determined in accordance with GAAP, but in the case of impairment charges solely to the extent such charges result from capital market and/or economic conditions creating a stock market trigger that requires testing for and recording of impairments under GAAP which cannot be attributed to any fundamental change in the underlying current or expected operating cash flows associated with the impaired assets, as reflected in the financial statements of the Company and its subsidiaries and the notes thereto (after taking into account the Company's effective income tax rate) to (2) Average Invested Capital. Average Invested Capital is defined as the sum of total assets (disregarding any impairment charges during the applicable fiscal year), minus total current liabilities, plus indebtedness for borrowed money included in total current liabilities, in each case, of the Company and its subsidiaries as determined in accordance with GAAP, calculated as the simple average during a fiscal year based on the last day of each of the trailing five fiscal quarters through the end of the applicable fiscal year, minus the impairment charges disregarded in determining total assets above.

In addition to the performance and service conditions described above, 33.3% of the earned and vested Performance RSUs, if any, will be subject to a holding period for six months following the end of Mr. Rubin's employment term.

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The Revised Agreement provides for the transfer of certain life insurance policies on the lives of Mr. and Mrs. Rubin, subject to certain performance conditions. Effective as of July 31, 2003, the Company and John B. Butterworth, Trustee the Trust entered into a Life Insurance Agreement with respect to three insurance policies on the lives of Mr. and Mrs. Rubin as follows: (1) the Guardian Insurance Policy, (2) the Sun Life Insurance Policy, and (3) the Metropolitan Insurance Policy (the Insurance Policies), whereby the Company owns and has paid premiums on the Insurance Policies. During the term of the Revised Agreement, contingent upon the Company's EBITDA ROIC (as defined above) exceeding 7.0% for the applicable performance goal period and Mr. Rubin's continued employment with the Company (other than in the event of certain termination events as described below), the Company will transfer ownership of and assign all rights under the Insurance Policies to the Trust as follows:

Performance Goal Period	Insurance Policy Transferred
Fiscal year ended February 28, 2013	Guardian Insurance Policy
Fiscal year ended February 28, 2014	Sun Life Insurance Policy
Fiscal year ended February 28, 2015	Metropolitan Insurance Policy

Pursuant to the 2011 Bonus Plan, the value of the transfer of the Guardian Insurance Policy will not exceed \$3,000,000, the value of the transfer of the Sun Life Insurance Policy will not exceed \$4,000,000 and the value of the transfer of the Metropolitan Insurance Policy will not exceed \$7,000,000, in each case, based on the cash surrender value of the applicable policy. During the term of the Revised Agreement, the Company will continue to pay the annual premiums on each Insurance Policy until such Insurance Policy is transferred to Mr. Rubin, at which time Mr. Rubin will be responsible for paying all premiums due on such Insurance Policy.

Under the Revised Agreement, Mr. Rubin is entitled to participate in various benefit plans available to all our employees, such as a 401(k) plan (including matching contributions), group medical, group life and group dental insurance, as well as vacation and paid holidays. We believe these benefits are comparable to those provided at other companies. In addition, the Revised Agreement provides that the Company must pay or reimburse Mr. Rubin for reasonable travel and other expenses incurred by him in performing his obligations under the Revised Agreement.

The Revised Agreement provides for certain payments and benefits upon Mr. Rubin's termination of employment, as described under Potential Payments Upon Termination or Change in Control and as described below:

- *Death Or Disability.* Mr. Rubin (or Mr. Rubin's estate) will be entitled to receive: (1) all amounts earned, accrued or owing but not yet paid to him as of the date of termination, (2) the base salary otherwise payable to Mr. Rubin through the end of the month in which his death or disability occurred, (3) a pro rata bonus for the year in which his death or disability occurred, (4) immediate vesting of all options granted to him, (5) immediate vesting of and removal of all restrictions on restricted shares and restricted stock units (including all Performance RSUs) awarded to him, and (6) transferred ownership to the Trust of any Insurance Policy that has not yet been transferred. Also, with respect to termination due to disability, Mr. Rubin will be entitled to continue to participate in all employee benefits plans, programs or arrangements available to Company executives in which he was participating on the date of termination until the end of the fiscal year in which his termination occurred.
- *Termination By Mr. Rubin Other Than For Good Reason Or For Cause By Company.* Mr. Rubin will be entitled to receive all amounts earned, accrued or owing but not yet paid to him as of the date of termination. All Performance RSUs that are not yet earned and vested will be forfeited. The owner of each Insurance Policy will have the right to continue such Insurance Policy by paying any future premiums.
- *Termination By Mr. Rubin For Good Reason Or By Company Other Than For Cause (Not In Connection With A Change In Control).* Mr. Rubin will be entitled to receive: (1) all amounts earned, accrued or owing but not yet paid to him as of the date of termination, (2) a single lump sum payment payable within 90 days following Mr. Rubin's termination in, at the

Compensation Committee s discretion, cash, common shares or a combination thereof, in an amount equal to (a) if the