

INTER PARFUMS INC  
Form DEF 14A  
August 01, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

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

Act of 1934

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ ☐

☒

☐

☐

Preliminary Proxy Statement  
**Confidential, for Use of the Commission Only**  
**(as permitted by Rule 14a-6 (e) (2))**  
Definitive Proxy Statement  
Definitive Additional Materials  
Soliciting Material under Rule.14a-12

**Inter Parfums, Inc.**

(Name of Registrant as Specified In Its Charter)

Edgar Filing: INTER PARFUMS INC - Form DEF 14A

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

Payment of Filing Fee (Check the appropriate box):

.. ☒ No fee required  
Fee computed on table below per Exchange Act Rules 14a-6(i) (4) and 0-11

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

Aggregate  
number of  
2) securities  
to which  
transaction  
applies:

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

determined):

Proposed  
maximum  
4) aggregate  
value of  
transaction:

Total  
5) fee  
paid:

..

Fee paid previously with preliminary materials.

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

Amount  
1) Previously  
Paid:

Form,  
Schedule or  
2) Registration  
Statement  
No.:

3) Filing  
Party:

4) Date  
Filed:

*Inter Parfums, Inc.*

*551 Fifth Avenue*

*New York, New York 10176*

*Notice of Annual Meeting of Shareholders*

*to be Held on September 12, 2017*

To the Shareholders of Inter Parfums, Inc.:

The annual meeting of shareholders of Inter Parfums, Inc. (the “company”) will be held at the offices of the company, at 10:00 A.M., New York City Time, on September 12, 2017, at

Inter Parfums, Inc.

551 Fifth Avenue – 1<sup>st</sup> Floor

New York, NY 10176

Tel: 212.983.2640

for the following purposes:

1. To elect a board of directors consisting of nine (9) members to hold office until our next annual meeting and until their successors are elected and qualified;
2. To vote for the advisory resolution to approve executive compensation;
3. To consider a shareholder proposal, if properly presented at the annual meeting; and
4. To vote for the advisory resolution on the frequency of future advisory votes concerning compensation of our named executive officers;

5. To consider and transact such other business as may properly come before the annual meeting or any adjournments of the annual meeting.

The board of directors has fixed the close of business on July 17, 2017 as the record date for the determination of the shareholders entitled to notice of, and to vote at, the annual meeting and any adjournments of the annual meeting. The list of shareholders entitled to vote at the annual meeting may be examined by any shareholder at our offices at 551 Fifth Avenue, New York, New York 10176, during the ten day period prior to September 12, 2017.

By Order of our Board of Directors

Dated: July 25, 2017 Michelle Habert, *Secretary*

**WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE FILL IN, SIGN AND DATE THE PROXY SUBMITTED HERewith AND RETURN IT IN THE ENCLOSED STAMPED ENVELOPE. THE GIVING OF SUCH PROXY WILL NOT AFFECT YOUR RIGHT TO REVOKE SUCH PROXY IN PERSON SHOULD YOU LATER DECIDE TO ATTEND THE MEETING. THE ENCLOSED PROXY IS BEING SOLICITED BY THE BOARD OF DIRECTORS.**

*Inter Parfums, Inc.*

***Proxy Statement***

**Important Notice**

**Regarding the Availability of Proxy Materials**

**for the Shareholder Meeting to Be Held on September 12, 2017**

**This proxy statement and the company's annual report to shareholders for fiscal year ended December 31, 2016 are available at:**

**<http://interparfums.investorroom.com>**

**Accessing this website will not infringe upon your anonymity.**

**GENERAL**

This proxy statement is furnished by the board of directors of our company, Inter Parfums, Inc., a Delaware corporation, with offices located at 551 Fifth Avenue, New York, New York 10176, in connection with the solicitation of proxies to be used at the annual meeting of our shareholders being held on September 12, 2017 and at any adjournments of the annual meeting. For purposes of this proxy statement, unless the context otherwise indicates, the terms the "company," "us" or "our" refer to Inter Parfums, Inc.

This proxy statement will be mailed to shareholders beginning approximately August 2, 2017. If a proxy in the accompanying form is properly executed and returned, then the shares represented by the proxy will be voted as instructed on the proxy. Any shareholder giving a proxy may revoke it at any time before it is voted by providing written notice of revocation to the company's Secretary or by a shareholder voting in person at the annual meeting.

Edgar Filing: INTER PARFUMS INC - Form DEF 14A

All properly executed proxies received prior to the annual meeting will be voted at the annual meeting in accordance with the instructions marked on the proxy or as otherwise stated in the proxy. Unless instructions to the contrary are indicated, proxies will be voted

FOR the election of the nine (9) directors referred to in this proxy statement

FOR the advisory resolution to approve executive compensation

AGAINST the shareholder proposal, and

FOR the advisory resolution on the frequency of future advisory votes concerning compensation of our named executive officers to be held every year.



In addition, the persons holding the proxies will consider and vote upon such other business as may properly come before the annual meeting or any adjournments of the annual meeting.

A copy of the company's annual report for fiscal year ended December 31, 2016, which contains financial statements audited by the company's independent registered public accounting firm, is being mailed to the company's shareholders along with this proxy statement.

We will bear the cost of preparing, assembling and mailing this notice of meeting, proxy statement, proxy and the enclosed annual report, as well as maintaining our internet website where you can obtain copies of this proxy statement and annual report to shareholders. In addition to solicitation of the proxies by use of the mails, some of our officers and regular employees, without extra remuneration, may solicit proxies personally or by telephone, telecopier or e-mail. We may also request brokerage houses, nominees, custodians and fiduciaries to forward soliciting material to the beneficial owners of our common stock. We will reimburse these persons for their expenses in forwarding soliciting material.

## **VOTING SECURITIES AND**

## **PRINCIPAL HOLDERS THEREOF**

Our board of directors fixed the close of business on July 17, 2017 as the record date for the determination of shareholders entitled to notice of, and to vote at, the annual meeting. Only holders of our common stock on the record date will be able to vote at the annual meeting.

As of July 5, 2017, we had 31,171,908 shares of our common stock outstanding. Each share of our common stock will entitle the holder of such share to one vote. None of the company's shareholders have cumulative voting rights. Holders of shares of our common stock are entitled to vote on all matters. We also have 1,000,000 authorized shares of preferred stock, \$.001 par value per share, none of which are outstanding.

The holders of a majority of the total number of outstanding shares of our common stock entitled to vote must be present in person or by proxy to constitute the necessary quorum for any business to be transacted at the annual meeting. Properly executed proxies marked "abstain," as well as proxies held in street name by brokers that are not voted on all proposals to come before the annual meeting ("broker non-votes"), will be considered "present" for purposes of determining whether a quorum has been achieved at the annual meeting.

The nine (9) nominees to our board of directors receiving the greatest number of votes cast at the annual meeting in person or by proxy shall be elected. Consequently, any shares of our common stock present in person or by proxy at the annual meeting, but not voted for any reason will have no impact in the election of our board of directors. With respect to the advisory proposal to approve the compensation of our named executive officers and the shareholder proposal (if properly presented at the meeting), the favorable vote of a majority of the shares of our common stock present or represented at the annual meeting is required for approval. With respect to the advisory proposal concerning the frequency of future advisory votes concerning executive compensation, the year with the greatest number of votes will prevail.

Other matters that may be submitted to our shareholders for a vote at the annual meeting, if any, will require the favorable vote of a majority of the shares of our common stock present or represented at the annual meeting for approval, unless we advise you otherwise. If any matter proposed at the annual meeting must receive a specific percentage of favorable votes for approval, then abstentions in respect of such proposal are treated as present and entitled to vote under Delaware law and therefore such abstentions have the effect of a vote against such proposal. Broker non-votes in respect of any proposal are not counted for purposes of determining whether such proposal has received the requisite approval.

Members of our management have been informed that Messrs. Jean Madar and Philippe Benacin, the beneficial owners of our two largest shareholders, have a verbal agreement or understanding to vote their shares in a like manner, and intend to vote in favor of all of the nominees for directors. Therefore, all of the nominees are all likely to be elected. Also, members of our management have been informed that Messrs. Jean Madar and Philippe Benacin intend to vote in favor of the proposal to approve executive compensation of our named executive officers, and in favor of the proposal regarding the frequency of votes on executive compensation every year, and therefore, it is likely that such proposals will be passed as recommended by our management. However, our management has been informed that Messrs. Jean Madar and Philippe Benacin intend to vote against the shareholder proposal, if such proposal is properly presented at the meeting.

We know of no business other than the proposals discussed above that will be presented for consideration at the annual meeting. If any other matter is properly presented, then it is the intention of the persons named in the enclosed proxy to vote in accordance with their best judgment.

The following table sets forth information with respect to the beneficial ownership of our common stock by (a) each person we know to be the beneficial owner of more than 5% of our outstanding common stock, (b) our executive officers and directors and (c) all of our directors and officers as a group. Each of Messrs. Madar and Benacin own 99.99% of their respective personal holding companies. As of July 5, 2017 we had 31,171,908 shares of common stock outstanding.

Name and Address of Beneficial Owner	Amount of Beneficial Ownership <sup>1</sup>	Approximate Percent of Class		
Jean Madar c/o Interparfums SA 4, Rond Point Des Champs Elysees 75008 Paris, France	7,144,748	2	22.9	%

Edgar Filing: INTER PARFUMS INC - Form DEF 14A

1 All shares of common stock are directly held with sole voting power and sole power to dispose, unless otherwise stated. Options which are exercisable within 60 days are included in beneficial ownership calculations. Jean Madar, the Chairman of the Board and Chief Executive Officer of the Company and Philippe Benacin, the Vice Chairman of the Board and President of the Company, have a verbal agreement or understanding to vote the shares each beneficially owns in a like manner.

2 Consists of 55,407 shares held directly, 7,032,341 shares held indirectly through Jean Madar Holding SAS, a personal holding company, and options to purchase 57,000 shares.

Name and Address of Beneficial Owner	Amount of Beneficial Ownership <sup>1</sup>	Approximate Percent of Class		
Philippe Benacin c/o Interparfums SA 4, Rond Point Des Champs Elysees 75008 Paris, France	6,958,940	3	22.3	%
Russell Greenberg c/o Inter Parfums, Inc. 551 Fifth Avenue New York, NY 10176	58,000	4	Less than 1	%
Philippe Santi Interparfums SA 4, Rond Point Des Champs Elysees 75008, Paris France	8,200	5	Less than 1	%
Francois Heilbronn 60 Avenue de Breteuil 75007 Paris, France	32,563	6	Less than 1	%
Jean Levy 17 rue Margueritte 75017 Paris, France	3,000	7	Less than 1	%
Robert Bensoussan-Torres c/o Sirius Equity LLP 52 Brook Street W1K 5DS London	11,000	8	Less than 1	%
Patrick Choël 140 Rue de Grenelle 75007, Paris, France	2,250	9	Less than 1	%
Michel Dyens Michel Dyens & Co. 17 Avenue Montaigne 75008 Paris, France	1,750	10	Less than 1	%
Frederic Garcia-Pelayo Interparfums SA 4, Rond Point Des Champs Elysees 75008, Paris France	10,200	11	Less than 1	%

Edgar Filing: INTER PARFUMS INC - Form DEF 14A

3 Consists of 55,876 shares held directly, 6,846,064 shares held indirectly through Philippe Benacin Holding SAS, a personal holding company, and options to purchase 57,000 shares.

4 Consists of 3,000 shares and options to purchase 55,000 shares.

5 Consists of shares of common stock underlying options.

6 Consists of 30,063 shares held directly and options to purchase 2,500 shares.

7 Consists of 2,500 shares held directly and options to purchase 500 shares.

8 Consists of 8,500 shares held directly and options to purchase 2,500 shares.

9 Consists of 750 shares held directly and options to purchase 1,500 shares.

10 Consists of shares of common stock underlying options.

11 Consists of shares of common stock underlying options.

Name and Address of Beneficial Owner	Amount of Beneficial Ownership <sup>1</sup>	Approximate Percent of Class
Veronique Gabai-Pinsky  (Director Nominee)		
Vera Wang  15 E. 26 <sup>th</sup> Street  New York NY 10010  Blackrock, Inc.	-0-	-0-
55 East 52 <sup>nd</sup> Street  New York, NY 10055 <sup>12</sup>  The Vanguard Group <sup>13</sup>	1,946,523	6.3 %
100 Vanguard Blvd.  Malvern, PA 19355	1,559,400	5.01 %
All Directors and Officers (As a Group 10 Persons)	14,230,151	14 45.4 %

## PROPOSAL NO. 1:

### ELECTION OF DIRECTORS

#### General

The members of our board of directors are each elected with a plurality of votes cast in favor of their election for a one-year term or until their successors are elected and qualify. With the exception of Philippe Benacin, the officers are elected annually by the directors and serve at the discretion of the board of directors. There are no family relationships between executive officers or directors of our company.

## Edgar Filing: INTER PARFUMS INC - Form DEF 14A

Mr. Jean Levy, age 84 and an independent director, has informed the board of directors that he intends to retire immediately after this annual meeting. The board of directors has selected Ms. Veronique Gabai-Pinsky to replace Mr. Levy as a director, and the biography of Ms. Gabai-Pinsky is below. Ms. Gabai-Pinsky, together with the remaining eight incumbent directors, Messrs. Jean Madar, Philippe Benacin, Russell Greenberg, Philippe Santi, Francois Heilbronn, Robert Bensoussan, Patrick Choel and Michel Dyens, are all put forth as nominees for election to the board of directors.

Unless authority is withheld, the proxies in the accompanying form will be voted in favor of the election of the nominees named above as directors. Although all of the nominees have indicated their willingness to serve if elected, if at the time of the meeting any nominee is unable or unwilling to serve, then the shares represented by properly executed proxies will be voted at the discretion of the person named in the proxies for another person designated by our board of directors.

12 Information based upon Schedule 13G Amendment 1 of Blackrock, Inc. dated January 25, 2017 as filed with the Securities and Exchange Commission.

13 Information based upon Schedule 13G of The Vanguard Group, an investment advisor, dated February 9, 2017 as filed with the Securities and Exchange Commission.

14 Consists of 14,034,501 shares held directly or indirectly, and options to purchase 196,150 shares.



### ***Board of Directors***

Our board of directors has the responsibility for establishing broad corporate policies and for the overall performance of our Company. Although certain directors are not involved in day-to-day operating details, members of the board of directors are kept informed of our business by various reports and documents made available to them. Our board of directors held 16 meetings (or executed consents in lieu thereof), including meetings of committees of the full board of directors during 2016, and all of the directors attended at least 75% of the meetings (or executed consents in lieu thereof) of the full board of directors and committees of which they were a member. Our board of directors presently consists of nine (9) directors.

We have adopted a Code of Business Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, as well as other persons performing similar functions, and we agree to provide to any person without charge, upon request, a copy of our Code of Business Conduct. Any person who requests a copy of our Code of Business Conduct should provide their name and address in writing to: Inter Parfums, Inc., 551 Fifth Avenue, New York, NY 10176, Att.: Shareholder Relations. In addition, our Code of Conduct is also maintained on our website, at [www.interparfumsinc.com](http://www.interparfumsinc.com).

During 2016, our board of directors had the following standing committees:

**Audit Committee** – The Audit Committee has the sole authority and is directly responsible for, the appointment, compensation and oversight of the work of the independent accountants employed by our company which prepare or issue audit reports for our company. During 2016, the Audit Committee consisted of Messrs. Heilbronn, Levy and Choël. The charter of the Audit Committee is posted on our company's website.

The Company does not have an “audit committee financial expert” within the definition of the applicable Securities and Exchange Commission rules. First, finding qualified nominees to serve as a director of a public company without substantial financial resources has been challenging. Second, despite the applicable Securities and Exchange Commission rule which states that being named as the audit committee financial expert does not impose any greater duty, obligation or liability, our company has been met with resistance from both present and former directors to being named as such, primarily due to potential additional personal liability. However, as the result of the background, education and experience of the members of the Audit Committee, our board of directors believes that such committee members are fully qualified to fulfill their obligations as members of the Audit Committee.

**Executive Compensation and Stock Option Committee** – The Executive Compensation and Stock Option Committee oversees the compensation of our company's executives and administers our company's stock option plans. During 2016, the members of such committee consisted of Messrs. Heilbronn, Levy and Choël. The charter of the Executive

Compensation and Stock Option Committee is posted on our company's website.

Nominating Committee – The members of such committee consist of Messrs. Heilbronn, Levy and Choël. The purpose of the Nominating Committee is to determine and recommend qualified persons to the Board of Directors who will be put forth as management's slate of directors for vote of the Corporation's stockholders, as well as to fill vacancies in the Board of Directors. The charter of the Nominating Committee is posted on our company's website.

### ***Director Independence***

The following are our directors who are “independent directors” within the applicable rules of The Nasdaq Stock Market:

Francois Heilbronn  
Jean Levy  
Robert Bensoussan-Torres  
Patrick Choël  
Michel Dyens

We follow and comply with the independent director definitions as provided by The Nasdaq Stock Market rules in determining the independence of our directors, which are posted on our company's website. In addition, such rules are also available on The Nasdaq Stock Market's website. In addition, The Nasdaq Stock Market maintains more stringent rules relating to director independence for the members of our Audit Committee, and the members of our Audit Committee, Messrs. Heilbronn, Levy and Choël, are independent within the meaning of those rules.

### ***Board Leadership Structure and Risk Management***

For more than the past ten (10) years, Jean Madar has held the positions of Chairman of the Board of Directors and Chief Executive Officer of our company. Almost since inception, Mr. Madar has been allocated the responsibility of overseeing our United States operations and the operation of Inter Parfums, Inc., as a public company. Philippe Benacin, as Chief Executive Officer of Interparfums SA, has been allocated the responsibility of overseeing our European operations and its operation as a public company in France. In addition, Mr. Benacin is also the Vice Chairman of the Board of Directors of our company. Our board of directors is comfortable with this approach, as the two largest stockholders of our company are also directly responsible for the operations of our company's two operating segments. Accordingly, our board of directors does not have a “Lead Director,” a non-management director who controls the meetings of our board of directors.

Our board of directors manages risk by (i) review of period operating reports and discussions with management; (ii) approval of executive compensation incentive plans through its committee, the Executive Compensation and Stock Option Committee; (iii) approval of related party transactions through its committee, the Audit Committee; and (iv) approval of material transactions not in the ordinary course of business. Since our inception, we have never been the subject of any material product liability claims, and we have had no recent material property damage claims.

Further, we periodically enter into foreign currency forward exchange contracts to hedge exposure related to receivables denominated in a foreign currency and to manage risks related to future sales expected to be denominated in a foreign currency. We enter into these exchange contracts for periods consistent with our identified exposures. The purpose of the hedging activities is to minimize the effect of foreign exchange rate movements on the receivables and cash flows of Interparfums SA, our French subsidiary, whose functional currency is the Euro. All foreign currency contracts are denominated in currencies of major industrial countries and are with large financial institutions, which are rated as strong investment grade.

In addition, we mitigate interest rate risk by continually monitoring interest rates, and then determining whether fixed interest rates should be swapped for floating rate debt, or if floating rate debt should be swapped for fixed rate debt.

### ***Business Experience***

The following sets forth biographical information as to the business experience of each executive officer and director of our Company, as well as our first time director nominee, Ms. Veronique Gabai-Pinsky, for at least the past five years.

#### ***Board of Directors***

##### ***Jean Madar***

Jean Madar, age 56, a Director, has been the Chairman of the Board since our company's inception, and is a co-founder of our company with Mr. Philippe Benacin. From inception until December 1993 he was the President of our company; in January 1994, he became Director General of Interparfums SA, our company's subsidiary; and in January 1997, he became Chief Executive Officer of our company. Mr. Madar was previously the managing director of Interparfums SA, from September 1983 until June 1985. At such subsidiary, he had the responsibility of overseeing the marketing operations of its foreign distribution, including market research analysis and actual marketing

campaigns. Mr. Madar graduated from The French University for Economic and Commercial Sciences (ESSEC) in 1983. We believe that Mr. Madar's skills in guiding, leading and determining the strategic direction of our company since its inception together with Mr. Benacin, in addition to his contacts in the fragrance and cosmetic industry, render him qualified to serve as a member of our board of directors.

*Philippe Benacin*

Mr. Benacin, age 58, a Director, is President of our Company and the Chief Executive Officer of Interparfums SA, has been the Vice Chairman of the Board since September 1991, and is a co-founder of our company with Mr. Madar. He was elected the Executive Vice President in September 1991, Senior Vice President in April 1993, and President of the Company in January 1994. In addition, he has been the Chief Executive Officer of Interparfums SA for more than the past five years. Mr. Benacin graduated from The French University for Economic and Commercial Sciences (ESSEC) in 1983. In June 2014 Mr. Benacin was elected as a member of the Supervisory Board of Vivendi, and Chairman of its Corporate Governance, Nominations and Remuneration Committee. We believe that Mr. Benacin's skills in guiding, leading and determining the strategic direction of our company since its inception together with Mr. Madar, in addition to his contacts in the fragrance and cosmetic industry, render him qualified to serve as a member of our board of directors.

*Russell Greenberg*

Mr. Greenberg, age 60, the Chief Financial Officer, was Vice-President, Finance when he joined the Company in June 1992; became Executive Vice President in April 1993; and was appointed to our board of directors in February 1995. He is a certified public accountant licensed in the State of New York, and is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants. After graduating from The Ohio State University in 1980, he was employed in public accounting until he joined our company in June 1992. We believe that Mr. Greenberg's skills in accounting and tax, as well as his knowledge of the fragrance industry and our Company's operations, render him qualified to serve as a member of our board of directors.

*Philippe Santi*

Philippe Santi, age 55 and a Director since December 1999, is the Executive Vice President and Chief Financial Officer of Interparfums SA. Mr. Santi, who is a Certified Accountant and Statutory Auditor in France, has been the Chief Financial Officer of Interparfums SA since February 1995. Prior to February 1995, Mr. Santi was the Chief Financial Officer for Stryker France and an Audit Manager for Ernst and Young. We believe that Mr. Santi's skills in accounting and tax, as well as his knowledge of the fragrance industry and our Company's European operations, render him qualified to serve as a member of our board of directors.

*Francois Heilbronn*

Mr. Heilbronn, age 56, a Director since 1988, an independent director and a member of the Audit Committee, Nominating Committee and the Executive Compensation and Stock Option Committee, is a graduate of Harvard Business School with a Master of Business Administration degree and is currently the managing partner of the consulting firm of M.M. Friedrich, Heilbronn & Fiszer. He was formerly employed by The Boston Consulting Group, Inc. from 1988 through 1992 as a manager. Mr. Heilbronn graduated from Institut d' Etudes Politiques de Paris in June 1983. From 1984 to 1986, he worked as a financial analyst for Lazard Freres & Co. In addition, during 2009, Mr. Heilbronn became an Associate Professor in Business Strategy at Sciences Po, Paris, France. As the result of his business and financial acumen, as well as his experience as managing partner of a business consulting firm in the area of mergers and acquisitions of large international companies in retail, consumer goods and consumer services throughout the world, we believe Mr. Heilbronn is qualified to serve as a member of our board of directors.

*Jean Levy*

Jean Levy, age 84, a Director since August 1996, an independent director and a member of the Audit Committee, Nominating Committee and the Executive Compensation and Stock Option Committee, worked for twenty-seven years at L'Oreal, and was the President and Chief Executive Officer of Cosmair, the exclusive United States licensee of L'Oreal, from 1983 through June 1987. In addition, he is the former President and Chief Executive Officer of Sanofi Beaute (France). For more than the past five years, Mr. Levy has been an independent advisor as well as a consultant for economic development to local governments in France. A graduate of l'Institut d'Etudes Politiques de Paris, he also attended Yale Graduate School and was a recipient of a Fulbright Scholarship. He was also a Professor at l'Institut d'Etudes Politiques de Paris. He was formerly a director of Zannier Group and Escada Beaute Worldwide and Rallye, S.A. In addition, Mr. Levy was also a director (Chairman of the Board until October 2001) of Financière d'Or, and its subsidiary, Histoire d'Or which is in the retail jewelry business. Mr. Levy was formerly a consultant to Ernst & Young, Paris through 2004. Due to Mr. Levy having over thirty years' experience as an executive officer, including more than ten years as President and Chief Executive Officer of well-known cosmetic companies such as Cosmair and Sanofi Beaute (France), we believe he is qualified to serve as a member of our board of directors. Mr. Levy is retiring immediately after this annual meeting.

*Robert Bensoussan*

Robert Bensoussan, age 58, has been a Director since March 1997, and also is an independent director. Mr. Bensoussan is the co-founder of Sirius Equity, a retail and branded luxury goods investment company. Since 2008, Sirius has invested in UK shoe and clothing retailer LK Bennett, Italian sportswear retailer and wholesaler Jeckerson Spa and feelunique.com, Europe's largest online beauty retailer. Mr. Bensoussan served previously as Executive Chairman and CEO of LK Bennett and is now Non-Executive Chairman. He has also acted as the Non-Executive Chairman of Jeckerson Spa since May 2008 and of feelunique.com since December 2012. Mr. Bensoussan is a board member of lululemon athletica inc. He is also a member of three private Boards, including Men's retailer Celio International (Belgium), Zen Cars (Belgium), an electric car rental company, and Eaglemoss Ltd. (UK) a part-works publisher. Previously Mr. Bensoussan was as director of, and had an indirect ownership interest J. Choo Limited until July 2011, and CEO (from 2001 to 2007) and a member of the Board of Jimmy Choo Ltd (from 2001 to 2011), a privately held luxury shoe wholesaler and retailer. We believe Mr. Bensoussan is qualified to serve as a member of our board of directors due to his business and financial acumen, as well as his experience in the retail and branded luxury goods market.



*Patrick Choël*

Mr. Choël, age 73, was appointed to the board of directors in June 2006 as an independent director, and is a member of the Audit Committee, Nominating Committee and the Executive Compensation and Stock Option Committee. Mr. Choël is a director of our majority-owned subsidiary, Interparfums SA, a publicly held company, and Christian Dior and Guerlain, both privately held companies. He is also the manager of Université 82, a business consultant and advisor. For approximately 10 years, through March 2004, Mr. Choël worked as the President and CEO of two divisions of LVMH, first Parfums Christian Dior, a leading world-wide prestige beauty/fragrances business, and later, the LVMH Perfumes and Cosmetics Division, which included such well-known brands as Parfums Christian Dior, Guerlain, and Parfums Givenchy, among others. Prior to such time, for approximately 30 years, he worked at various executive positions at Unilever, including President and CEO of Elida Fabergé France and President and CEO of Chesebrough Pond's USA. We believe that Mr. Choël, who has previously worked as President and Chief Executive Officer of two divisions of LVMH Moët Hennessy Louis Vuitton S.A., which included such well-known brands as Parfums Christian Dior, Guerlain, and Parfums Givenchy, is qualified to serve as a member of our board of directors.

*Michel Dyens*

Michel Dyens, age 77, is the owner, Chairman and Chief Executive Officer of Michel Dyens & Co., which he founded more than 25 years ago. With headquarters in New York and Paris, Michel Dyens & Co. is a leading independent investment banking firm focused on mergers and acquisitions. Michel Dyens & Co. has vast experience in the luxury goods, beauty, spirits and other premium branded consumer goods in which it has concluded numerous landmark deals. Michel Dyens & Co. has advised in such deals as the sale of the Grey Goose ultra-premium vodka brand to Bacardi, John Frieda Professional Hair Care and Molton Brown to the Kao Company, the Svedka vodka brand to Constellation Brands, Chambord liqueur to Brown-Forman, Harry Winston to Aber Diamond Company and Boucheron to Gucci. Michel Dyens & Co. also has a strong track record of deals in media and internet, including the deals in which AuFeminin was sold to Axel Springer and Cyréal to M6, among others.

Recently, Michel Dyens & Co. represented Mr. ChinWook Lee, the founder and CEO of Dr. Jart+, for the sale of an interest in Have & Be Co. Ltd. to The Estée Lauder Companies. Michel Dyens & Co. also advised the shareholders of the largest independent hair color and hair care company in Brazil, Niely Cosméticos in the sale of the company to L'Oréal, as well as advising the owner of the super-premium liqueur St-Germain in the sale of the brand to Bacardi, the Colomer Group (American Crew and CND/Shellac brands) in its sale to Revlon, and Sydney Frank Importing Company in the sale of the company to Jaegermeister. Other recent transactions include the sale of Essie cosmetics business to L'Oréal, the acquisition of the Swiss watchmaker Hublot by LVMH, the sale of TIGI (BedHead and Catwalk brands) to Unilever and the sale of NIOXIN Research Laboratories to Procter & Gamble.

Mr. Dyens is also the owner of Varenne Enterprises, a media company which he founded more than 25 years ago. From April 2004 to September 2014, Mr. Dyens was an independent director of Interparfums SA, a majority-owned subsidiary of the Company, which has its shares publicly traded on the Euronext Exchange. We believe Mr. Dyens is qualified to serve as a member of our board of directors due to his knowledge of our company's luxury business, his business and financial acumen, as well as his experience in the luxury goods market.

*Veronique Gabai-Pinsky*

Ms. Gabai-Pinsky, age 51, is a director nominee for the first time, who also became a director of Interparfums SA in April 2017. She was appointed President of Vera Wang Group in January 2016, after a year of consulting with the company and currently oversees all product categories and markets. Prior to joining Vera Wang, from 2006 to December 2014 Ms. Gabai-Pinsky was the Global President for Aramis and Designers Fragrances as well as Beauty Bank and Idea Bank at the Estee Lauder Companies, reporting to the Chief Executive Officer of such company. During her tenure, Ms. Gabai-Pinsky developed and ensured the growth of several beauty and skin care brands, including Lab Series for Men. She was highly instrumental in the evolution of the fragrance category for such company, as she improved its overall business model, globally grew brands such as Donna Karan and Michael Kors, evolved and harmonized the portfolio, divested dilutive brands and brought in Tory Burch, Zegna and Marni under licenses. She ultimately actively participated in the acquisitions of Le Labo, Frederic Malle, and By Kilian and assisted in the transformation of the long term strategic direction of such company.

In the earlier years of her career, Ms. Gabai-Pinsky served as Vice President of Marketing and Communication for Guerlain, a division of LVMH Moët Hennessy Louis Vuitton S.A., where she led the successful re-launch of Shalimar, the introduction of Aqua Allegoria, and contributed to the re-focus of the beauty category around its pillars, Terracotta, Meteorites and Issima, while redesigning all communication strategies and content. She started her career at L'Oréal, and was also Vice President of Marketing for Giorgio Armani, where she was instrumental in the overall development of its fragrance business by developing the successful Acqua di Giò for men and introducing the Emporio Armani franchise. A graduate from ESSEC Business School in Paris, France, she has received several awards, including Marketer of the Year by Women's Wear Daily in December 2013.

If elected at this meeting, then Ms. Gabai-Pinsky will be an independent director, and the board of directors intends that she replace the retiring Jean Levy on the Audit Committee, Executive Compensation and Stock Option Committee and the Nominating Committee of our company. We believe Ms. Gabi-Pinsky is qualified to serve as a member of our board of directors due to her more than 25 years of experience in the luxury, fashion, beauty and fragrance fields, success as a brand builder, creative thinker, business acumen, and a broad understanding of consumers, brands and business models.

*Executive Officer (Non Director)*

*Frederic Garcia-Pelayo*

Frederic Garcia-Pelayo, age 57, has been with Interparfums SA for more than the past 20 years. He is currently the Executive Vice President and Chief Operating Officer of Interparfums SA, and was previously the Director of its Luxury and Fashion division beginning in March 2005. He was also previously the Director of Marketing and Distribution for Perfume and Cosmetics and was first named Executive Vice President in 2004.

***Section 16(a) Beneficial Ownership Reporting Compliance***

Based solely upon a review of Forms 3, 4 and 5 and any amendments to such forms furnished to us, and written representations from various reporting persons furnished to us, except as set forth below, we are not aware of any reporting person who has failed to file the reports required to be filed under Section 16(a) of the Securities Exchange Act of 1934 on a timely basis.

**Executive Compensation**

***Compensation Discussion and Analysis***

*General*

The executive compensation and stock option committee of our board of directors is comprised entirely of independent directors and oversees all elements of compensation (base salary, annual bonus, long-term incentives and perquisites) of our company's executive officers and administers our company's stock option plans, other than the non-employee directors stock option plan, which is self-executing.

The objectives of our compensation program are designed to strike a balance between offering sufficient compensation to either retain existing or attract new executives on the one hand, and maintaining compensation at

reasonable levels on the other hand. We do not have the resources comparable to the cosmetic giants in our industry, and, accordingly, cannot afford to pay excessive executive compensation. In furtherance of these objectives, our executive compensation packages generally include a base salary, as well as annual incentives tied to individual performance and long-term incentives tied to our operating performance.

Mr. Madar, the Chairman and Chief Executive Officer, takes the initiative after discussions with Mr. Russell Greenberg, Executive Vice President, Chief Financial Officer and a Director, and recommends executive compensation levels for executives for United States operations. Mr. Benacin, the Chief Executive Officer of Interparfums SA, takes the initiative after discussions with Philippe Santi, the Chief Financial Officer of Interparfums SA, and recommends executive compensation levels for executives in European operations. The recommendations are presented to the compensation committee for its consideration, and the compensation committee makes a final determination regarding salary adjustments and annual award amounts to executives, including Jean Madar and Philippe Benacin. Messrs. Madar and Benacin are not present during deliberations or determination of their executive compensation by the compensation committee. Further, Messrs. Madar and Benacin, in addition to being executive officers and directors, are our largest beneficial shareholders, and therefore, their interests are aligned with our shareholder base in keeping executive compensation at a reasonable level.

The compensation committee was pleased that the most recent shareholder advisory vote on executive compensation held at our last annual meeting of shareholders in September 2016 overwhelmingly approved the compensation policies and decisions of the compensation committee. The compensation committee has determined to continue its present compensation policies in order to determine similar future decisions.

Our compensation committee believes that individual executive compensation is at a level comparable with executives in other companies of similar size and stage of development that operate in the fragrance industry, and takes into account our company's performance as well as our own strategic goals. Further, the compensation committee believes that its present policies to date, with its emphasis on rewarding performance, has served to focus the efforts of our executives, which in turn has permitted our company to weather economic and political turmoil in certain parts of the world and keep our company on track for continued profitability, which management believes will result in enhanced shareholder value.

#### *Elements of Compensation*

##### *General*

The compensation of our executive officers is generally comprised of base salaries, including a fee paid to the holding companies of each of Messrs. Madar and Benacin, annual cash bonuses and long-term equity incentive awards. In determining specific components of compensation, the compensation committee considers individual performance, level of responsibility, skills and experience, other compensation awards or arrangements and overall company performance. The compensation committee reviews and approves all elements of compensation for all of our executive officers taking into consideration recommendations from the Chief Executive Officer of our company and the Chief Executive Officer of Interparfums SA, as well as information regarding compensation levels at competitors in our industry.

Our named executive officers have all been with the company for more than the past ten (10) years, with Messrs. Madar and Benacin being founders of the company in 1985. As Messrs. Madar and Greenberg for United States operations, and Benacin and Santi for European operations, are most familiar with the individual performance, level of responsibility, skills and experience of each executive officer in their respective operating segments, the compensation committee relies upon the information provided by such executive officers in determining individual performance, level of responsibility, skills and experience of each executive officer.

The compensation committee views the competitive market place very broadly, which would include executive officers from both public and privately held companies in general, including fashion and beauty companies, but not

limited to the peer companies contained in the corporate performance graph contained in our annual report. Rather than tie the compensation committee's determination of compensation proposals to any specific peer companies, the members of our committee have used their business experience, judgment and knowledge to review the executive compensation proposals recommended to them by Mr. Madar for United States operations and Mr. Benacin for European operations. As such, compensation committee did not determine the need to "benchmark" of any material item of compensation or overall compensation.

The members of the compensation committee have extensive experience and business acumen and are well qualified in determining the appropriateness of executive compensation levels. Mr. Heilbronn is a managing partner of a business consulting firm in the area of mergers and acquisitions of large international companies in retail, consumer goods and consumer services throughout the world. Mr. Levy has over thirty years' experience as an executive officer, including more than ten years as President and Chief Executive Officer of well-known cosmetic companies such as Cosmair and Sanofi Beaute (France). Mr. Choël, the final committee member, is presently a business consultant and advisor, who previously worked as President and Chief Executive Officer of two divisions of LVMH Moët Hennessy Louis Vuitton S.A., which included such well-known brands as Parfums Christian Dior, Guerlain, and Parfums Givenchy. Mr. Choël has also been President and CEO of both Elida Fabergé France and Chesebrough Pond's USA.

#### *Base Salary*

Base salaries for executive officers are initially determined by evaluating the responsibilities of the position held and the experience of the individual, and by reference to the competitive market place for executive talent. Base salaries for executive officers are reviewed on an annual basis, and adjustments are determined by evaluating our operating performance, the performance of each executive officer, as well as whether the nature of the responsibilities of the executive has changed.

As stated above, as Messrs. Madar and Greenberg for United States operations, and Benacin and Santi for European operations, are most familiar with the individual performance, level of responsibility, skills and experience of each executive officer in their respective segments, the committee relies upon the information provided by such executive officers in determining individual performance, level of responsibility, skills and experience of each executive officer.

For executive officers of United States operations, the bulk of their annual compensation is in base salary including a fee paid to the holding company for Mr. Madar for services rendered outside the United States. However, for executive officers of European operations base salary comprises a smaller percentage of overall compensation. We have paid a lower percentage of overall compensation in the form of base salary to executive officers of European operations for several years, principally because European operations historically have had higher profitability than United States operations, and European operations are run differently from United States operations by the Chief Executive Officer of European operations, Mr. Benacin. As the result of this historically higher profitability, European operations have had the ability to pay higher bonus compensation in addition to base salary. As bonus compensation is and has historically been discretionary, no targets were set in order to maintain flexibility. Further, if results of operations for European operations were not satisfactory (again, no target amounts were set to maintain flexibility), then bonus compensation, as well as overall compensation could be lowered without otherwise affecting base salary. Finally, by keeping annual bonus compensation at a higher percentage of overall compensation and base salary at a lower percentage, our company benefits because the base amount for annual salary adjustments would be smaller.





For 2016, Mr. Benacin did not receive any increase in his base salary of €420,000 (\$465,000), while in 2015, Mr. Benacin did receive a modest increase of €6,000 from €414,000 to €420,000. Further, Mr. Benacin's personal holding company received the same \$250,000 in 2016 that he received in 2015 and 2014 for services rendered outside of the United States by Mr. Benacin for the benefit of the Company's United States operations in his capacity as President of our company. Payment is being made by the Company's United States operations to Mr. Benacin's holding company in accordance with the consulting agreement with Mr. Benacin's holding company, which provides for review on an annual basis of the amount of compensation payable to such company.

The compensation committee took into account the following salient factors in authorizing payment to Mr. Benacin's holding company— services rendered to United States operations for several years by Mr. Benacin in connection with licensing and distribution of international brands, as well as future services to be performed by Mr. Benacin internationally relating to licensing and distribution of international brands for United States operations.

For 2016, two named executive officers of Interparfums SA, Mr. Philippe Santi, Executive Vice President and the Chief Financial Officer of Interparfums SA, and Mr. Frederic Garcia-Pelayo, Executive Vice President and Chief Operating Officer of Interparfums SA, each received €7,200 (\$8,000) salary increases that brought their 2016 base salaries to €307,200 (\$340,000), which was in line with their modest increases in their base salaries to €300,000 and €294,000 in 2015 and 2014, respectively. The compensation committee considered the recommendations of Mr. Benacin, results of operations for the year, as well as the services performed for European operations by Messrs. Santi and Garcia-Pelayo in authorizing these salary levels.

A different approach is taken for United States operations as that segment is smaller and less profitable. A more significant base salary is paid in order to attract and retain employees with the skills and talents needed to run the operation with a lesser emphasis placed on bonuses. Neither of the executive officers for United States operations have employment agreements (although Mr. Madar's personal holding company has a consulting agreement that provides for review on an annual basis of the amount of compensation payable to such company), as we believe that having flexibility in structuring annual base salary is a benefit, which permits us to act quickly to meet a changing economic environment.

For each of 2016, 2015 and 2014, Mr. Madar's base salary remained steady and aggregated \$630,000, which includes \$250,000 received by Mr. Madar's personal holding company in each year for services rendered outside of the United States by Mr. Madar in his capacity as Chief Executive Officer. In determining Mr. Madar's base salary including the consulting fee for 2016, the Committee took into account Mr. Madar's leadership of our company in general, the increasing profitability of United States operations over the past several years, and his leadership in assisting United States operations in obtaining new licensing opportunities and his assistance in developing new products and expanding international distribution of U.S. operations.



Russell Greenberg, the Executive Vice President and Chief Financial Officer, has received the same \$30,000 increase in base salary for 2016, 2015 and 2014, and for 2016 his base salary was \$600,000. In connection with these increases in salary, the Compensation Committee considered the following material factors in granting Mr. Greenberg his salary increases: his individual performance, level of responsibility, skill and experience, as well as the recommendation of the Chief Executive Officer.

Mr. Andy Clarke was the President of Inter Parfums USA, LLC, the largest subsidiary of the United States operations until he left the Company on December 31, 2016. For each of 2016, 2015 and 2014, he received a modest \$10,000 increase in base salary, reaching a high of \$340,000 in 2016. Beginning in 2012 in lieu of a base salary increase, Mr. Clarke was awarded a commission on certain sales that he was instrumental in bringing to our company. For 2016, 2015 and 2014, Mr. Clarke received commissions relating to those sales of \$167,693, \$225,341 and \$217,232, respectively. For a detailed discussion of Mr. Clarke's commission structure for 2016, 2015 and 2014, please see *"Bonus Compensation/Annual Incentives"*. The Compensation Committee considered Mr. Clarke's contribution to sales growth of our company's United States operations as well as the integration of several new licensed brands into United States operations as the basis for increasing his base salary.

#### *Bonus Compensation/Annual Incentives*

As discussed above, we have paid a higher percentage of overall compensation in the form of bonus compensation to executive officers of European operations for several years, principally because European operations historically have had higher profitability than United States operations. As the result of this historically higher profitability, European operations have had the ability to pay higher bonus compensation in addition to base salary. As bonus compensation is discretionary, no targets were set in order to maintain flexibility. Further, if results of operations for European operations were not satisfactory (again, no target amounts were set to maintain flexibility), then bonus compensation, as well as overall compensation could be lowered without otherwise affecting base salary. Individual performance, level of responsibility, skill and experience, were the salient factors considered by the Compensation Committee in awarding bonus compensation described below.

For 2016, Mr. Benacin, the chief decision maker for European operations, proposed and the compensation committee concurred in the payment of bonus compensation of €70,000 (\$77,000) to Mr. Benacin (approximately 17% of base salary), and €290,000 (\$321,000) to each of Messrs. Santi and Garcia- Pelayo (approximately 94% of base salary). This bonus compensation was in line with payments made for both 2015 and 2014, which are set forth below.

For 2015, Mr. Benacin proposed and the compensation committee concurred in the payment of bonus compensation of €86,000 (\$95,000) to Mr. Benacin (approximately 20% of base salary), and €280,000 (\$311,000) to each of Messrs. Santi and Garcia- Pelayo (approximately 93% of base salary). This bonus compensation was in line with 2014 bonus compensation to Mr. Benacin of €86,000 (approximately 21% of base salary) and to Messrs. Santi and Garcia of €273,000 (approximately 93% of base salary).

A different approach is taken for United States operations as that segment is smaller and less profitable. As discussed above, a more significant base salary is paid in order to attract and retain employees with the skills and talents needed to run United States operations with a lesser emphasis placed on bonuses. Based upon the recommendation of the Chief Executive Officer, for each of 2016, 2015 and 2014, Mr. Greenberg received a discretionary cash bonus of \$50,000. The Compensation Committee considered the following material factors in granting Mr. Greenberg his bonuses: his individual performance, level of responsibility, skill and experience, as well as the recommendation of the Chief Executive Officer.

Mr. Clarke, who was an executive officer of United States operations until December 31, 2016, received additional compensation in the form of commissions on certain sales that he was instrumental in bringing to our company, which was based upon a percentage of Anna Sui brand sales as well as sales to the secondary market. The commission rate was determined based on internal estimates of sales targets for such new business, and for 2016, he received commissions aggregating \$167,693.

Due to decreased sales of the Anna Sui brand products in 2014, Mr. Clarke received a commission of only \$217,000, which was down from \$306,000 in 2013. In order to partially offset the loss of commission income and in recognition of the services performed by Mr. Clarke in the development and integration for United States operations of certain newly licensed brands, Agent Provocateur, Shanghai Tang and Oscar de la Renta, as well as the acquisition of the new license for the Abercrombie & Fitch and Hollister brands in December 2014, the Chief Executive Officer recommended and the compensation committee approved a \$50,000 discretionary bonus for Mr. Clarke in 2014. For 2015, Mr. Clarke received commissions totaling \$225,000, which again were low as the result of the continuation of the depressed Chinese market where Anna Sui sales are concentrated. However, in recognition of Mr. Clarke's services in leading development of the newly licensed Abercrombie & Fitch and Hollister brands, Mr. Clarke received the same discretionary bonus of \$50,000 to offset a portion of his loss of sales commissions.

Mr. Madar, the Chief Executive Officer has not received any cash bonus in the past three years.

As required by French law, Interparfums SA maintains its own profit sharing plan for all French employees who have completed three months of service, including executive officers of our European operations other than Mr. Benacin, the Chief Executive Officer of Interparfums SA. Benefits are calculated based upon a percentage of taxable income of Interparfums SA and allocated to employees based upon salary. The maximum amount payable per year per employee

is €28,960, or approximately \$30,500.

Calculation of the total annual benefits contribution is made according to the following formula:

67% of (Interparfums SA net income, less 2.5% of shareholders equity without net income for the year) times a fraction, the numerator of which is wages, and the denominator of which is net income before tax + wages + taxes (other than income tax) + valuation allowances + amortization expenses + interest expenses.

Contribution to individual employees is then made pro rata based upon their individual salaries for the year.

### *Long-Term Incentives*

*Stock Options.* We link long-term incentives with corporate performance through the grant of stock options. All options are granted with an exercise price equal to the fair market value of the underlying shares of our common stock on the date of grant, and terminate on or shortly after severance of the executive's relationship with us. Unless the market price of our common stock increases, corporate executives will have no tangible benefit. Thus, they are provided with the additional incentive to increase individual performance with the ultimate goal of increasing our overall performance. We believe that enhanced executive incentives which result in increased corporate performance tend to build company loyalty. As a general rule, the number of options granted is determined by several factors including individual performance, company operating results and past option grants to such executives.

For executive officers of United States operations and European operations, we typically grant nonqualified stock options with a term of 6 years that vest ratably over a 5-year period on a cumulative basis, so that the option will become fully exercisable at the beginning of the sixth year from the date of grant.

We believe that the vesting period of these options serve a dual purpose: 1. executives will not receive any benefit if they leave prior to such portion of the option vesting; and 2. having a vesting period, matches the service period with the potential benefits of the option. Pursuant to our stock option plan, non-qualified stock options granted to executives terminate immediately upon the executive's termination of association with our company. This termination provision coupled with a vesting period reduces benefits afforded to an executive when an executive officer leaves our employ.

Over the past several years, as our company has grown and the market price of our common stock has increased, Messrs. Madar and Benacin have realized substantial compensation as the result of the exercise of their options. As the two executives most responsible for continued growth and success of our company, the compensation committee

believes the granting of options is an appropriate tool to tie a substantial portion of their compensation to the success of our company and is completely warranted.

The actual compensation realized as the result of the exercise of options in the past, as well as the future potential of such rewards, are powerful incentives for increased individual performance and ultimately increased company performance. In view of the fact that the executive officers named above contribute significantly to our profitable operations, the compensation committee believes the option grants are valid incentives for these executive officers and are fair to our shareholders. Generally we grant options to executive officers in December of each year.

In December for each of the years during the period 2014 to 2016, upon the recommendation of the company's Chief Executive Officer, the compensation committee granted options to purchase a total of 19,000 shares of our common stock to each of Jean Madar and Philippe Benacin at the fair market value on the date of grant. Option grants to Messrs. Madar and Benacin were identical as each is the Chief Executive Officer of their respective operating segments. Also in December for each of the years 2014-2016, the compensation committee granted options to purchase 25,000 shares to Mr. Greenberg, the Chief Financial Officer. Options to purchase 7,500 shares were granted to Mr. Clarke in 2014 and 2015, but no options were granted to Mr. Clarke in 2016 as he left the company at the end of the year. The Compensation Committee determined that the option grants for Messrs. Madar, Benacin and Greenberg, which have remained the same for years 2014-2016, were reasonable, so based upon the recommendation of the Chief Executive Officer, it determined to keep the option grants for such executive officers at the same level for 2016.

Upon recommendation of both Messrs. Madar and Benacin, in December 2016 and 2015, the compensation committee authorized the grants of options to purchase a total of 6,000 shares to Messrs. Santi and Garcia-Pelayo, which was the same amount as the aggregate amount granted in December 2014 and January 2015. The compensation committee believes that these grants were proper in view of their contribution to our company's results in each of 2014, 2015 and 2016.

*Interparfums SA Stock Compensation Plan.* In September 2016, Interparfums SA, approved a plan to grant an aggregate of 15,100 shares of its stock to employees with no performance condition requirement, and an aggregate of 133,000 shares to officers and managers, subject to certain corporate performance conditions. The shares will be distributed in September 2019 so long as the individual is employed by Interparfums SA at the time, and in the case of officers and managers, only to the extent that the performance conditions have been met. Once distributed, the shares will be unrestricted and the employees will be permitted to trade their shares. Under this plan, Mr. Benacin is estimated to receive 3,000 shares and Messrs. Santi and Garcia are estimated to receive 7,000 shares each.

The fair value of the grant of €22.46 per share (approximately \$25.00 per share) has been determined based on the quoted stock price of Interparfums SA shares as reported by the NYSE Euronext on the date of grant taking into account the dividend yield as no dividends on this grant will be earned until the shares are distributed. The estimated number of shares to be distributed of 137,381 has been determined taking into account employee turnover. The aggregate cost of the grant of €3.1 million (approximately \$3.4 million) will be recognized as compensation cost by Interparfums SA on a straightline basis over the requisite three year service period. For the year ended December 31, 2016, \$0.4 million of compensation cost has been recognized.



*Stock Appreciation Rights.* Our stock option plans authorize us to grant stock appreciation rights, or SARs. A SAR represents a right to receive the appreciation in value, if any, of our common stock over the base value of the SAR. To date, we have not granted any SARs under our plans. While the compensation committee currently does not plan to grant any SARs under our plans, it may choose to do so in the future as part of a review of the executive compensation strategy.

*Restricted Stock.* We have not in the past, and we do not have any future plans to grant restricted stock to our executive officers. However, while the compensation committee currently does not plan to authorize any restricted stock plans, the compensation committee may choose to do so in the future as part of a review of the executive compensation strategy. Our French operating subsidiary, Interparfums, SA, however, has instituted the Interparfums SA Stock Compensation Plan in September 2016 as discussed above.

#### *Other Compensation*

Mr. Benacin is the Chief Executive Officer of Interparfums SA (European operations), as well as a founder of our company, and we believe we should recognize his responsibility, skills and experience, as well as the results of our company. For 2016, Mr. Benacin received an automobile allowance of €10,800, which is the same amount paid in since 2010. Also, Mr. Garcia- Pelayo, Director Export Sales of Interparfums SA, also receives an automobile allowance of €6,800 per year.

#### *No Stock Ownership Guidelines*

We do not require any minimum level of stock ownership by any of our executive officers. As stated above, Messrs. Madar and Benacin, are our largest beneficial shareholders, which aligns their interests with our shareholder base in keeping executive compensation at a reasonable level.

#### *Retirement and Pension Plans*

We maintain a 401(k) plan for United States operations. However, we do not match any contributions to such plan, as we have determined that base compensation together with annual bonuses and stock option awards, are sufficient incentives to retain talented employees. Our European operations maintain a pension plan for its employees as required by French law. For 2016, each of Messrs. Benacin, Santi and Garcia-Pelayo received an increase of €14,300 (\$16,000) in their value of deferred compensation earnings.

***Compensation Committee Report***

We have reviewed and discussed with management the Compensation Discussion and Analysis provisions to be included in this Annual Report on Form 10-K for fiscal year ended December 31, 2016 and the proxy statement for the upcoming annual meeting of shareholders. Based on this review and discussion, we recommend to the board of directors that the Compensation Discussion and Analysis referred to above be included in this Annual Report on Form 10-K as well as the proxy statement for the upcoming annual meeting of shareholders.

Francois Heilbronn

Jean Levy and

Patrick Choël

The following table sets forth a summary of all compensation awarded to, earned by or paid to our “named executive officers,” who are our principal executive officer, our principal financial officer, and each of the three most highly compensated executive officers of our company. This table covers all such compensation during fiscal years ended December 31, 2016, December 31, 2015 and December 31, 2014. For all compensation related matters disclosed in the summary compensation table, and elsewhere where applicable, all amounts paid in euro have been converted to U.S. dollars at the average rate of exchange in each year.

## SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards \$(1)	Non-Equity Incentive Plan Compensation \$(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation \$(3)	Total Compensation
Jean Madar, Chairman and Chief Executive Officer	2016	630,000	-0-	-0-	141,709	-0-	-0-	-0-	771,709
	2015	630,000	-0-	-0-	112,408	-0-	-0-	-0-	742,408
	2014	630,000	-0-	-0-	140,220	-0-	-0-	-0-	770,220
Russell Greenberg, Chief Financial Officer and Executive Vice President	2016	600,000	50,000	-0-	186,456	-0-	-0-	-0-	836,456
	2015	570,000	50,000	-0-	147,905	-0-	-0-	-0-	767,905
	2014	540,000	50,000	-0-	184,500	-0-	-0-	-0-	774,500
Philippe Benacin, President Inter Parfums, Inc., Chief Executive Officer of Interparfums SA	2016	714,722	77,462	84,232	141,706	-0-	15,824	11,951	1,049,815
	2015	716,074	95,434	-0-	112,408	-0-	18,573	11,985	954,497
	2014	799,833	114,217	-0-	140,220	-0-	18,461	13,343	1,085,833
Philippe Santi, Executive Vice President and Chief Financial Officer, Interparfums SA	2016	339,948	320,914	196,754	44,749	-0-	15,824	-0-	918,485
	2015	332,910	310,716	-0-	42,271	17,276	18,573	-0-	721,476
	2014	390,461	362,571	-0-	36,900	-0-	18,461	-0-	808,392
Frédéric Garcia-Pelayo, Executive Vice President and Chief Operating Officer Interparfums SA	2016	339,948	320,914	196,754	44,749	-0-	15,824	7,525	925,790
	2015	332,910	310,716	-0-	42,271	17,276	18,573	7,590	729,366
	2014	390,461	362,571	-0-	36,900	-0-	18,461	9,031	817,423

1 Amounts reflected under Option Awards represent the grant date fair values in 2016, 2015 and 2014 based on the fair value of stock option awards using a Black-Scholes option pricing model. The assumptions used in this model are detailed in Footnote 12 to the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2016 and filed with the SEC.

2 As required by French law, Interparfums SA maintains its own profit sharing plan for all French employees who have completed three months of service, including executive officers of our European operations other than Mr. Benacin, the Chief Executive Officer of Interparfums SA. Benefits are calculated based upon a percentage of taxable income of Interparfums SA and are allocated to employees based upon salary. The maximum amount payable per year is 28,960 euro, or approximately \$30,500.

Calculation of total annual benefits contribution is made according to the following formula:

67% of (Interparfums SA net income, less 2.5% of shareholders equity without net income for the year) times a fraction, the numerator of which is wages, and the denominator of which is net income before tax + wages + taxes (other than income tax) + valuation allowances + amortization expenses + interest expenses.

Contribution to individual employees is then made pro rata based upon their individual salaries for the year.

3 The following table identifies (i) perquisites and other personal benefits provided to our named executive officers in fiscal 2016, and quantifies those required by SEC rules to be quantified and (ii) all other compensation that is required by SEC rules to be separately identified and quantified.

Name and Principal Position	Perquisites and other Personal Benefits (\$)	Personal Automobile Expense(\$)	Lodging Expense(\$)	Total (\$)
Jean Madar, Chairman Chief Executive Officer	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-

Edgar Filing: INTER PARFUMS INC - Form DEF 14A

Russell Greenberg,  
Chief Financial Officer and Executive Vice President

Philippe Benacin, President of Inter Parfums, Inc. and Chief Executive Officer of Interparfums SA	-0-	11,951	-0-	11,951
---	-----	--------	-----	--------

Philippe Santi, Executive Vice President and Chief Financial Officer, Interparfums SA	-0-	-0-	-0-	-0-
---	-----	-----	-----	-----

Frédéric Garcia-Pelayo, Executive Vice President and Chief Operating Officer, Interparfums SA	-0-	7,525	-0-	7,525
---	-----	-------	-----	-------

*Plan Based Awards*

The following table sets certain information relating to each grant of an award made by our company to the executive officers of our company listed in the Summary Compensation Table during the past fiscal year.

Grants of Plan-Based Awards											
Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option (\$/Sh)	Closing Price (\$/Sh)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Jean Madar	12/30/16	-0-	-0-	-0-	-0-	-0-	-0-	-0-	19,000	32.825	32.75
Russell Greenberg	12/30/16	-0-	-0-	-0-	-0-	-0-	-0-	-0-	25,000	32.825	32.75
Philippe Benacin	12/30/16	-0-	-0-	-0-	-0-	-0-	-0-	-0-	19,000	32.825	32.75
Philippe Santi	12/30/16	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,000	32.825	32.75
Frédéric Garcia-Pelayo	12/30/16	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,000	32.825	32.75

*Options*

As discussed above, we typically grant nonqualified stock options with a term of 6 years that vest ratably of a 5-year period on a cumulative basis, so that the option will become fully exercisable at the beginning of the sixth year from the date of grant.

We believe that the vesting period of these options serves a dual purpose: 1. executives will not receive any benefit if they leave prior to such portion of the option vesting; and 2. having a vesting period matches the service period with the potential benefits of the option.

Under our company's stock option plans, the exercise price is determined by the average of the high and low price on the date of grant, not the closing price as reported by The Nasdaq Stock Market.

We also note that the Summary Compensation Table does not include income realized by the named executive officers as the result of the exercise of stock options, but rather reflects the dollar amount recognized for financial statement reporting purposes for options granted in accordance with ASC topic 718-20. However, value realized as the result of stock option exercises is set forth in the table entitled "Option Exercises and Stock Vested".



*Interparfums SA Stock Compensation Plan.*

The following table sets certain information relating to each grant of an award made by Interparfums SA to the executive officers of our company listed in the Summary Compensation Table during the past fiscal year.

Grants of Plan-Based Awards											
Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option (\$/Sh)	Closing Price (\$/Sh)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Jean Madar	NA	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	NA	NA
Russell Greenberg	NA	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	NA	NA
Philippe Benacin	9/6/16	-0-	-0-	-0-	NA	3,000	NA	-0-	-0-	-0-	\$25.00
Philippe Santi	9/6/16	-0-	-0-	-0-	NA	7,000	NA	-0-	-0-	-0-	\$25.00
Frédéric Garcia-Pelayo	9/6/16	-0-	-0-	-0-	NA	7,000	NA	-0-	-0-	-0-	\$25.00

In September 2016, Interparfums SA approved a plan to grant an aggregate of 15,100 shares of its stock to employees with no performance condition requirement, and an aggregate of 133,000 shares to officers and managers, subject to certain corporate performance conditions. The shares will be distributed in September 2019 so long as the individual is employed by Interparfums SA at the time, and in the case of officers and managers, only to the extent that the performance conditions have been met. Once distributed, the shares will be unrestricted and the employees will be permitted to trade their shares. Under this plan in September 2019, Mr. Benacin is estimated to receive 3,000 shares of Interparfums SA stock, and Messrs. Santi and Garcia are estimated to 7,000 shares each.

The fair value of the grant of €22.46 per share (approximately \$25.00 per share) has been determined based on the quoted stock price of Interparfums SA shares as reported by the NYSE Euronext on the date of grant taking into account the dividend yield as no dividends on this grant will be earned until the shares are distributed. The estimated number of shares to be distributed of 137,381 has been determined taking into account employee turnover. The aggregate cost of the grant of €3.1 million (approximately \$3.4 million) will be recognized as compensation cost by Interparfums SA on a straightline basis over the requisite three year service period. For the year ended December 31, 2016, \$0.4 million of compensation cost has been recognized.

*Interparfums SA Profit Sharing Plan*

As required by French law, Inter Parfums, SA maintains its own profit sharing plan for all French employees who have completed three months of service, including executive officers of our European operations other than Mr. Benacin, the Chief Executive Officer of Inter Parfums, SA. Benefits are calculated based upon a percentage of taxable income of Interparfums SA and allocated to employees based upon salary. The maximum amount payable per year per employee is 28,960 euro, or approximately \$30,500.

Calculation of total annual benefits contribution is made according to the following formula:

67% of (Interparfums SA net income, less 2.5% of shareholders equity without net income for the year) times a fraction, the numerator of which is wages, and the denominator of which is net income before tax + wages + taxes (other than income tax) + valuation allowances + amortization expenses + interest expenses.

Contribution to individual employees is then made pro rata based upon their individual salaries for the year.

### *Outstanding Equity Awards at Fiscal Year-End*

The following table sets forth certain information relating to outstanding equity awards of our Company held by the executive officers listed in the Summary Compensation Table as of December 31, 2016.

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

Name	Option Awards		Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Exercised Options (#)			
Jean Madar	19,000	-0-	-0-	15.59	12/29/17
	15,200	3,800	-0-	19.325	12/30/18
	11,400	7,600	-0-	35.75	12/30/19
	7,600	11,400	-0-	27.795	12/30/20
	3,800	15,200	-0-	23.605	12/30/21
	-0-	19,000	-0-	32.825	12/29/22
Russell Greenberg	20,000	-0-	-0-	15.59	12/29/17
	20,000	5,000	-0-	19.325	12/30/18
	15,000	10,000	-0-	35.75	12/30/19

Edgar Filing: INTER PARFUMS INC - Form DEF 14A

	10,000	15,000	-0-	27.795	12/30/20
	5,000	20,000	-0-	23.605	12/30/21
	-0-	25,000	-0-	32.825	12/29/22
Philippe Benacin	19,000	-0-	-0-	15.59	12/29/17
	15,200	3,800	-0-	19.325	12/30/18
	11,400	7,600	-0-	35.75	12/30/19
	7,600	11,400	-0-	27.795	12/30/20
	3,800	15,200	-0-	23.605	12/30/21
	-0-	19,000	-0-	32.825	12/29/22
Philippe Santi	600	-0-	-0-	15.590	12/29/17
	600	600	-0-	19.325	12/30/18
	800	800	-0-	22.195	1/30/19
	3,000	2,000	-0-	35.75	12/30/19
	2,000	3,000	-0-	27.795	12/30/20
	200	800	-0-	25.821	1/27/2021
	1,200	4,800	-0-	23.605	12/30/21
	-0-	6,000	-0-	32.825	12/29/22
Frédéric Garcia-Pelayo	1,200	-0-	-0-	15.590	12/29/17
	1,200	600	-0-	19.325	12/30/18
	1,200	800	-0-	22.195	1/30/19
	3,000	2,000	-0-	35.75	12/30/19
	2,000	3,000	-0-	27.795	12/30/20
	200	800	-0-	25.821	1/27/2021
	1,200	4,800	-0-	23.605	12/30/21
	-0-	6,000	-0-	32.825	12/29/22

[Footnotes from table above]

1 All options expire 6 years from the date of grant, and vest 20% each year commencing one year after the date of grant.

The following table sets certain information relating to outstanding equity awards granted by Interparfums SA, our majority-owned French subsidiary which has its shares traded on the NYSE Euronext, held by the executive officers of our company listed in the Summary Compensation Table as of the end of the past fiscal year.

# OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

## OF INTERPARFUMS SA

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Exercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)(1)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested (\$)(2)
Jean Madar	-0-	-0-	-0-	-0-	N/A	-0-	-0-	-0-	NA
Russell Greenberg	-0-	-0-	-0-	-0-	N/A	-0-	-0-	-0-	NA
Philippe Benacin	-0-	-0-	-0-	-0-	N/A	-0-	-0-	3,000	86,647
Philippe Santi	-0-	-0-	-0-	-0-	N/A	-0-	-0-	7,000	202,176
Frédéric Garcia-Pelayo	-0-	-0-	-0-	-0-	N/A	-0-	-0-	7,000	202,176

[Footnotes from table above]

1 Estimated number of shares are to be issued only to the extent that the performance conditions have been met.

2 As of December 30, 2016, the market value was €27.40, which was the closing price of Interparfums SA as reported by Euronext, and the exchange rate was 1.0541 U.S. dollars to €1.

In September 2016, Interparfums SA, approved a plan to grant an aggregate of 15,100 shares of its stock to employees with no performance condition requirement, and an aggregate of 133,000 shares to officers and managers, subject to certain corporate performance conditions. The shares will be distributed in September 2019 so long as the individual is employed by Interparfums SA at the time, and in the case of officers and managers, only to the extent that the performance conditions have been met. Once distributed, the shares will be unrestricted and the employees will be permitted to trade their shares. Under this plan in September 2019, Mr. Benacin is estimated to receive 3,000 shares of Interparfums SA stock, and Messrs. Santi and Garcia are estimated to 7,000 shares each.

The fair value of the grant of €22.46 per share (approximately \$25.00 per share) has been determined based on the quoted stock price of Interparfums SA shares as reported by the NYSE Euronext on the date of grant taking into account the dividend yield as no dividends on this grant will be earned until the shares are distributed. The estimated number of shares to be distributed of 137,381 has been determined taking into account employee turnover. The aggregate cost of the grant of €3.1 million (approximately \$3.4 million) will be recognized as compensation cost by Interparfums SA on a straightline basis over the requisite three year service period. For the year ended December 31, 2016, \$0.4 million of compensation cost has been recognized.

### *Option Exercises and Stock Vested*

The following table sets forth certain information relating to each option exercise affected during the past fiscal year, and each vesting of stock, including restricted stock, restricted stock units and similar instruments of our company during the past fiscal year, for the executive officers of our company listed in the Summary Compensation Table.

#### OPTION EXERCISES AND STOCK VESTED

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) <sup>1</sup>	Number of Shares Acquired on Vesting (#)	Value Realized On Vesting (\$)
Jean Madar	19,000	667,850	-0-	-0-
Russell Greenberg	30,000	461,473	-0-	-0-
Philippe Benacin	19,000	667,850	-0-	-0-
Philippe Santi	3,000	32,646	-0-	-0-

Frédéric Garcia-Pelayo	600	8,684	-0-	-0-
------------------------	-----	-------	-----	-----

[Footnotes from table above]

<sup>1</sup> Total value realized on exercise of options in dollars is based upon the difference between the fair market value of the common stock on the date of exercise, and the exercise price of the option.



The following table sets forth certain information relating to each option exercise effected during the past fiscal year, and each vesting of stock, including restricted stock, restricted stock units and similar instruments during the past fiscal year, of Interparfums SA, our majority-owned French subsidiary which has its shares traded on the Euronext, for the executive officers of our company listed in the Summary Compensation Table.

#### OPTION EXERCISES AND STOCK VESTED

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) <sup>1</sup>	Number of Shares Acquired on Vesting (#)	Value Realized On Vesting (\$)
Jean Madar	13,530	181,165	-0-	-0-
Russell Greenberg	2,901	32,102	-0-	-0-
Philippe Benacin	13,530	153,467	-0-	-0-
Philippe Santi	1,320	14,914	-0-	-0-
Frédéric Garcia-Pelayo	1,320	14,914	-0-	-0-

[Footnotes from table above]

<sup>1</sup> Total value realized on exercise of options in dollars is based upon the difference between the fair market value of the common stock on the date of exercise, and the exercise price of the option.

#### *Pension Benefits*

The following table sets forth certain information relating to payment of benefits in connection with retirement plans during the past fiscal year, for the executive officers of our company listed in the Summary Compensation Table.

#### PENSION BENEFITS

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
Jean Madar	NA	NA	-0-	-0-
Russell Greenberg	NA	NA	-0-	-0-
Philippe Benacin	Inter Parfums SA Pension Plan	NA	234,000	15,800
Philippe Santi	Inter Parfums SA Pension Plan	NA	365,000	15,800
Frédéric Garcia-Pelayo	Inter Parfums SA Pension Plan	NA	212,000	15,800

Interparfums SA maintains a pension plan for all of its employees, including all executive officers. The calculation of commitments for severance benefits involves estimating the probable present value of projected benefit obligations. This projected benefit obligations is then prorated to take into account seniority of the employees of Interparfums SA on the calculation date.

In calculating benefits, the following assumptions were applied:

- voluntary retirement at age 65;
- a rate of 45% for employer payroll contributions for all employees;
- a 4% average annual salary increase;
- an annual rate of turnover for all employees under 55 years of age and nil above;
- the TH 00-02 mortality table for men and the TF 00-02 mortality table for women;
- a discount rate of 2.0%.

The normal retirement age is 65 years, but employees, including Messrs. Benacin, Santi and Garcia-Pelayo, can collect reduced benefits if they retire at age 62.

### ***Nonqualified Deferred Compensation***

We do not maintain any nonqualified deferred compensation plans.

### ***Employment and Consulting Agreements***

As part of our acquisition in 1991 of the controlling interest in Interparfums SA, now a subsidiary, we entered into an employment agreement with Philippe Benacin. The agreement provides that Mr. Benacin will be employed as Vice Chairman of the Board and President and Chief Executive Officer of Inter Parfums Holdings and its subsidiary, Interparfums SA. The initial term expired on September 2, 1992, and has subsequently been automatically renewed for additional annual periods. The agreement provides for automatic annual renewal terms, unless either party terminates the agreement upon 120 days' notice. For 2017, Mr. Benacin presently receives an annual salary of €420,000 (approximately \$465,000, and automobile expenses of €10,800 (approximately \$12,000), which are subject to increase in the discretion of the board of directors. The agreement also provides for indemnification and a covenant not to compete for one year after termination of employment.

In 2014, we entered into a consulting agreement with Mr. Benacin's holding company, Philippe Benacin Holding SAS, which provides for review on an annual basis of the amount of compensation payable to such company. The agreement also provides for indemnification for Mr. Benacin and his holding company and a covenant not to compete for one year after termination of the agreement. The agreement was for one year, with automatic one year renewals unless either party terminates on 120 days' notice or Mr. Benacin ceases to be the President of our company. For 2015 and 2016, Mr. Benacin's personal holding company received \$250,000 for services rendered outside of the United States by Mr. Benacin in his capacity as President. This consulting agreement has been renewed at \$250,000 for 2017.

In 2013, we enter into a consulting agreement with Mr. Madar's holding company, Jean Madar Holding SAS, which provides for review on an annual basis of the amount of compensation payable to such company. The agreement also provides for indemnification for Mr. Madar and his holding company and a covenant not to compete for one year after termination of the agreement. The agreement was for one year, with automatic one year renewals unless either party terminates on 120 days' notice or Mr. Madar ceases to be the Chief Executive Officer of our company. For 2015 and 2016, Mr. Madar's personal holding company received \$250,000 for services rendered outside of the United States by Mr. Madar in his capacity as Chief Executive Officer. This consulting agreement has been renewed at \$250,000 for 2017.

*Compensation of Directors*

The following table sets forth certain information relating to the compensation for each of our directors who is not an executive officer of our Company named in the Summary Compensation Table for the past fiscal year.

## DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation (\$)	Total (\$)
Francois Heilbronn <sup>1</sup>	21,000	-0-	6,496	-0-	-0-	7,953	35,449
Jean Levy <sup>2</sup>	21,000	-0-	6,496	-0-	-0-	7,644	35,140
Robert Bensoussan <sup>3</sup>	12,500	-0-	6,496	-0-	-0-	10,785	29,781
Patrick Choël <sup>4</sup>	21,000	-0-	6,496	-0-	-0-	-0-	27,496
Michel Dyens <sup>5</sup>	15,000	-0-	6,496	-0-	-0-	-0-	21,496

[Footnotes from table above]

1. As of the end of the last fiscal year, Mr. Heilbronn held options to purchase an aggregate of 4,000 shares of our common stock.
2. As of the end of the last fiscal year, Mr. Levy held options to purchase an aggregate of 3,250 shares of our common stock.
3. As of the end of the last fiscal year, Mr. Bensoussan-Torres held options to purchase an aggregate of 4,000 shares of our common stock.
4. As of the end of the last fiscal year, Mr. Choël held options to purchase an aggregate of 3,250 shares of our common stock.
5. As of the end of the last fiscal year, Mr. Dyens held options to purchase an aggregate of 3,000 shares of our common stock.

For 2016, all nonemployee directors received \$5,000 for each board meeting at which they participate in person, and \$2,500 for each meeting held by conference telephone. In addition, the annual fee for each member of the audit committee is \$6,000.

We maintain stock option plans for our nonemployee directors. The purpose of these plans is to assist us in attracting and retaining key directors who are responsible for continuing the growth and success of our company. Under such plans, options to purchase 1,000 shares are granted on each February 1st to all nonemployee directors for as long as each is a nonemployee director on such date. However, if a nonemployee director does not attend certain of the board meetings, then such option grants are reduced according to a schedule. In addition, options to purchase 2,000 shares are granted to each nonemployee director upon his initial election or appointment to our board.

On February 1, 2017, options to purchase 1,000 shares were granted to each of our outside directors, Francois Heilbronn, Jean Levy, Robert Bensoussan-Torres, Patrick Choël and Michel Dyens, all at the exercise price of \$33.9474 per share under the 2004 plan. All of such options were granted at the fair market value and vest ratably over a 4 year period.

### Equity Compensation Plan Information

The following table sets forth certain information as of the end of our last fiscal year regarding all equity compensation plans that provide for the award of equity securities or the grant of options, warrants or rights to purchase our equity securities.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	685,440	26.95	1,078,755
Equity compensation plans not approved by security holders	-0-	N/A	-0-
Total			

### Certain Relationships and Related Transactions

#### *Transactions with European Subsidiaries*

We have guaranteed the obligations of our majority-owned, French subsidiary, Interparfums SA under our former Burberry license and our Paul Smith license agreement. We also provide (or had provided on our behalf) certain financial, accounting and legal services for Interparfums SA, and during 2016, 2015 and 2014 fees for such services were \$214,112, \$198,500 and \$138,438, respectively. In January 2012, Inter Parfums USA, LLC, a United States subsidiary, signed a five year license agreement with Interparfums Suisse (SARL), a Swiss subsidiary of Interparfums

SA, for the right to sell amenities under the Lanvin brand name to luxury hotels, cruise lines and airlines in return for royalty payments as are customary in our industry, and in 2017 this agreement was renewed for 5 years on the same terms. In 2014, Inter Parfums USA, LLC, a United States subsidiary, paid Interparfums Singapore Pte., Ltd., a subsidiary of Interparfums SA, approximately \$79,000 as reimbursement for expenses for employees and use of their offices by Inter Parfums USA, LLC, including a reasonable allocation of overhead. In 2014, this arrangement was discontinued.



### ***Option Exercise with Tender of Previously Owned Shares***

The Chief Executive Officer and the President each exercised 19,000, 19,000 and 32,875 outstanding stock options of the Company's common stock in 2016, 2015 and 2014, respectively. The aggregate exercise prices of \$0.7 million in 2016, \$0.5 million in 2015 and \$0.6 million in 2014 were paid by them tendering to the Company in 2016, 2015 and 2014, an aggregate of 20,568, 18,764 and 19,656 shares, respectively, of the Company's common stock, previously owned by them, valued at fair market value on the dates of exercise. All shares issued pursuant to these option exercises were issued from treasury stock of the Company. In addition, the Chief Executive Officer tendered in 2016, 2015 and 2014 an additional 2,179, 1,299 and 3,112 shares, respectively, for payment of certain withholding taxes resulting from his option exercises.

### ***Consulting Agreements***

In 2014, we enter into a consulting agreement with Mr. Benacin's holding company, Philippe Benacin Holding SAS, which provides for review on an annual basis of the amount of compensation payable to such company. The agreement also provides for indemnification for Mr. Benacin and his holding company and a covenant not to compete for one year after termination of the agreement. The agreement was for one year, with automatic one year renewals unless either party terminates on 120 days' notice or Mr. Benacin ceases to be the President of our company. In 2016, 2015 and 2014, Mr. Benacin's personal holding company received \$250,000 for services rendered outside of the United States by Mr. Benacin for the benefit of the Company's United States operations, in his capacity as President. This consulting agreement has been renewed at \$250,000 for 2017.

In 2013, we enter into a consulting agreement with Mr. Madar's holding company, Jean Madar Holding SAS, which provides for review on an annual basis of the amount of compensation payable to such company. The agreement also provides for indemnification for Mr. Madar and his holding company and a covenant not to compete for one year after termination of the agreement. The agreement was for one year, with automatic one year renewals unless either party terminates on 120 days' notice or Mr. Madar ceases to be the Chief Executive Officer of our company. In 2016, 2015 and 2014, Mr. Madar's personal holding company received \$250,000 for services rendered outside of the United States by Mr. Madar in his capacity as Chief Executive Officer. This consulting agreement has been renewed at \$250,000 for 2017.

### ***Procedures for Approval of Related Person Transactions***

Transactions between related persons, such as between an executive officer or director and our company, or any company or person controlled by such officer or director, are required to be approved by our Audit Committee of our

board of directors. Our Audit Committee Charter contains such explicit authority, as required by the applicable rules of The Nasdaq Stock Market.

## AUDIT COMMITTEE REPORT

The Audit Committee has the sole authority and is directly responsible for, the appointment, compensation and oversight of the work of the independent accountants employed by our company which prepare or issue an audit report for our company. During 2016 and for the past several years, the Audit Committee consisted of Messrs. Heilbronn, Levy and Choël.

The Company does not have an “audit committee financial expert” within the definition of the applicable Securities and Exchange Commission rules. First, finding qualified nominees to serve as a director of a public company without substantial financial resources has been challenging. Second, despite the applicable Securities and Exchange Commission rule which states that being named as the audit committee financial expert does not impose any greater duty, obligation or liability, the Company has been met with resistance from both present and former directors to being named as such primarily due to potential additional personal liability.

However, as the result of the background, education and experience of the members of the Audit Committee, our board of directors believes that such committee members are fully qualified to fulfill their obligations as members of the Audit Committee.

Management is responsible for our company’s internal controls and our financial reporting process. The independent registered public accounting firm we employ, WeiserMazars, LLP, is responsible for performing an independent audit of our consolidated financial statements in accordance with generally accepted auditing standards and to issue a report thereon, as well as, issuing its report on its audit of our management’s assessment of our internal control over financial reporting. The Audit Committee’s responsibility is to monitor and oversee these processes.

In this context, the Audit Committee has met and held discussions with management and our independent registered public accounting firm. Management represented to the Audit Committee that our consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent registered public accounting firm. In addition, Mazars USA LLP (formerly WeiserMazars LLP) discussed with the Audit Committee the results of its audit on management’s assessment of internal controls over financial reporting. The Audit Committee also discussed with Mazars USA LLP matters required to be discussed by Statement on Auditing Standards No. 16 (Communications with Audit Committees).

Mazars USA LLP also provided to the Audit Committee the written disclosures required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant’s communications with the

Audit Committee concerning independence, and the Audit Committee discussed with Mazars USA LLP that firm's independence.

Based upon the Audit Committee's discussions with management and Mazars USA LLP and the Audit Committee's review of the representations of management and the report of Mazars USA LLP to the Audit Committee, the Audit Committee recommended that our board of directors include the audited consolidated financial statements and management's report on internal control over financial reporting, together with the attestation report of Mazars USA LLP in our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the Securities and Exchange Commission.

Francois Heilbronn, *Chairman*,  
Jean Levy  
Patrick Choël

## **Independent Accountants**

### ***General***

We are not submitting the selection of auditors to a vote of our shareholders' as shareholder approval is not required under Delaware law. A representative of Mazars USA LLP is not expected to be present at the annual meeting.

### ***Fees***

The following sets forth the fees billed to us by Mazars USA LLP (formerly WeiserMazars LLP), as well as discusses the services provided for the past two fiscal years, fiscal years ended December 31, 2016 and December 31, 2015.

### ***Audit Fees***

During 2016, the fees billed by Mazars USA LLP and its affiliate, Mazars S.A. for audit services and review of the financial statements contained in our Quarterly Reports on Form 10-Q were \$1.0 million. During 2015, the fees billed by Mazars USA LLP and its affiliate, Mazars S.A. for audit services and review of the financial statements contained in our Quarterly Reports on Form 10-Q were \$1.1 million.

*Audit-Related Fees*

Mazars USA LLP did not bill us for any audit-related services during 2016 or 2015.

*Tax Fees*

Mazars USA LLP billed us \$16,400 and \$8,500 for tax services during 2016 and 2015, respectively.

*All Other Fees*

Mazars USA LLP did not bill us for any other services during 2016 or 2015.

*Audit Committee Pre Approval Policies and Procedures*

The Audit Committee has the sole authority for the appointment, compensation and oversight of the work of our independent accountants, who prepare or issue an audit report for us.

During the first quarter of 2016, the audit committee authorized the following non-audit services to be performed by Mazars USA LLP.

We authorized the engagement of Mazars USA LLP if deemed necessary to provide tax consultation in the ordinary course of business for fiscal year ended December 31, 2016.

We authorized the engagement of Mazars USA LLP if deemed necessary to provide tax consultation as may be required on a project by project basis that would not be considered in the ordinary course of business, of up to a \$5,000 fee limit per project, subject to an aggregate fee limit of \$25,000 for fiscal year ending December 31, 2016. If we require further tax services from Mazars USA LLP, then the approval of the audit committee must be obtained.

If we require other services by Mazars USA LLP on an expedited basis such that obtaining pre-approval of the audit committee is not practicable, then the Chairman of the Committee has authority to grant the required pre-approvals for all such services.

We imposed a cap of \$100,000 on the fees that Mazars USA LLP can charge for services on an expedited basis that are approved by the Chairman without obtaining full audit committee approval.

None of the non-audit services of either of the Company's auditors had the pre-approval requirement waived in accordance with Rule 2-01(c)(7)(i)(C) of Regulation S-X.

In the first quarter of 2017, the audit committee authorized the same non-audit services to be performed by Mazars USA LLP during 2016 as disclosed above.

**PROPOSAL NO. 2:**

**ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION**

In accordance to the proxy rules under the Securities Exchange Act of 1934 (“Exchange Act”) and as required by the Dodd-Frank Act, we are required to provide our shareholders with an advisory resolution to approve the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis and the accompanying compensation tables and narrative disclosure. This proposal, commonly known as a “say-on-pay” proposal, gives shareholders the opportunity to endorse or not endorse our executive compensation as described in this proxy statement. The Compensation Committee has developed an executive compensation program designed to pay for performance and to align the long-term interests of our named executive officers with the long-term interests of our shareholders. We are asking our shareholders to indicate their support for the compensation paid to our named executive officers by voting “FOR” the following resolution:



“RESOLVED, that the compensation paid to Inter Parfums, Inc.’s named executive officers, as disclosed in accordance with the compensation disclosure rules of the Securities and Exchange Commission, including the compensation discussion and analysis, the compensation tables and related narrative disclosure included in this proxy statement, is hereby APPROVED.”

As provided by the Dodd-Frank Act, this vote will not be binding on the Board of Directors or the Compensation Committee and may not be construed as overruling a decision by the Board of Directors or the Compensation Committee nor imply any additional fiduciary duty on the Board of Directors. Further, it will not affect any compensation paid or awarded to any executive officer. Our Board of Directors and Compensation Committee will, however, take into account the outcome of the vote when considering future executive compensation arrangements. The purpose of our compensation policies and procedures is to attract and retain experienced, highly qualified executives crucial to our long-term success and enhancement of shareholder value.

Our Board of Directors recommends that shareholders vote “for” the approval of the vote for the advisory resolution to approve executive compensation as described in the compensation discussion and analysis and the accompanying compensation tables and narrative disclosure in this proxy statement.

### **PROPOSAL NO. 3: SHAREHOLDER PROPOSAL REGARDING**

#### **MAJORITY VOTING IN DIRECTOR ELECTIONS**

California State Teachers’ Retirement System Investments (“CalSTRS”) has given notice that it intends to present the proposal set forth below for action at the Annual Meeting. The Company is not responsible for the contents of this shareholder proposal or supporting statement. The Company will promptly provide the shareholder’s name, address and number of Common Shares held to any shareholder upon receiving an oral or written request to the Company’s secretary. The Company’s telephone number is (212) 983-2640 and its address is 551 Fifth Avenue, New York, NY 10176. CalSTRS has requested that the Company include the following resolution in this Proxy Statement for consideration by our shareholders:

#### **Shareholder Proposal and Shareholders’ Supporting Statement**

**BE IT RESOLVED:**



That the shareholders of Inter Parfums, Inc. hereby request that the Board of Directors initiate the appropriate process to amend the Company's articles of incorporation and/or bylaws to provide that director nominees shall be elected by the affirmative vote of the majority of votes cast at an annual meeting of shareholders, with a plurality vote standard retained for contested director elections, that is, when the number of director nominees exceeds the number of board seats.

**SUPPORTING STATEMENT:**

In order to provide shareholders a meaningful role in director elections, the Company's current director election standard should be changed from a plurality vote standard to a majority vote standard. The majority vote standard is the most appropriate voting standard for director elections where only board nominated candidates are on the ballot, and it will establish a challenging vote standard for board nominees to improve the performance of individual directors and entire boards. Under the Company's current voting system, a nominee for the board can be elected with as little as a single affirmative vote, because "withheld" votes have no legal effect. A majority vote standard would require that a nominee receive a majority of the votes cast in order to be re-elected and continue to serve as a representative for the shareholders.

In response to strong shareholder support a substantial number of the nation's leading companies have adopted a majority vote standard in company bylaws or articles of incorporation. In fact, more than 94% of the companies in the S&P 500 have adopted majority voting for uncontested elections. We believe the Company needs to join the growing list of companies that have already adopted this standard.

CalSTRS is a long-term shareholder of the Company and we believe that accountability is of utmost importance. We believe the plurality vote standard currently in place at the Company completely disenfranchises shareholders and makes the shareholder's role in director elections meaningless. Majority voting in director elections will empower shareholders with the ability to remove poorly performing directors and increase the directors' accountability to the owners of the Company, its shareholders. In addition, those directors who receive the majority support from shareholders will know they have the backing of the very shareholders they represent. We therefore ask you to join us in requesting that the Board of directors promptly adopt the majority vote standard for director elections.

Please vote FOR this proposal.

**Board of Directors' Response**

The Board of Directors has carefully considered the shareholder proposal and, for the reasons described below, believes that the proposal to provide for the election of directors by a majority of the votes cast in uncontested elections is not in the best interests of the Company and its shareholders.

We believe that, if adopted, it would not achieve its desired intent. The proposal as presented applies a majority voting standard only in the case of uncontested elections. Under this standard, if an incumbent director in an uncontested election fails to receive a majority vote for re-election, then under Delaware law that director, although not elected by the shareholders, nonetheless remains on the Board of Directors as a “holdover” until (i) such director’s successor is elected and qualified, or (ii) until such director’s resignation. Even if a director who fails to receive a majority vote for re-election tenders his or her resignation, the result would be either one less director on the board or a vacancy filled by the remaining members of the board of directors. Alternatively, if a non-incumbent nominee in an uncontested election fails to receive a majority of the votes cast for election, then the result would be a vacancy on the Board of Directors that would be filled by the remaining members of the board of directors, not by the shareholders.

We do not believe that these results are beneficial to shareholders, and they do not improve accountability. In fact, such vacancies could result in our failure to meet NASDAQ’s listing requirements relating to the independence of directors or SEC requirements relating to audit committee members.

The Company currently elects directors by a plurality voting standard, which provides shareholders the opportunity to express disapproval of actions of the Board of Directors through the use of the withhold vote. The exercise of the withhold vote, rather than causing one or more “holdover” directors or vacancies, as discussed above, provides the Board of Directors with the flexibility to determine whether such a vote was intended only to send a message to which the Board of Directors should react, or was an effort to remove a particular director. In either case, it would be a matter of serious consideration for the Board of Directors.

Under a plurality voting standard, nominees who receive the most affirmative votes are elected to the Board of Directors. Although the proponent states that under the plurality standard, a nominee can be elected with as little as a single affirmative vote (a highly-theoretical and speculative possibility), as a practical matter, our directors have always been elected by an overwhelming majority of the votes cast as to any director. In addition, our two principal shareholders, Messrs. Madar and Benacin beneficially own approximately 45% of our outstanding common stock. In other words, this proposal, if implemented, would not have had any impact on the outcome of any of the elections of the Company’s directors to date.

Finally, any shareholder who is dissatisfied with a director has always had the ability to nominate an alternative candidate for director election in accordance with our bylaws. The proposal would retain a plurality voting standard for contested elections and, therefore, would have no effect in situations where the shareholders are actively choosing between candidates.

The Board of Directors values and fully appreciates the importance of the Annual Meeting as a forum for shareholders to express specific concerns they may have. Any dissatisfied shareholder has the ability to communicate concerns directly to management, and management has always welcomed shareholder input. The proposed majority voting

standard, however, could significantly increase the influence of certain shareholders whose interests and agenda may differ from those of our shareholders generally. Under majority voting, because of the increased threat that one or more directors would not be re-elected in an uncontested election, the Board of Directors could be forced to follow the dictates of certain groups, or to engage in expensive and distracting solicitation campaigns, for matters that are peripheral and not related to the best interests of the Company and its shareholders.

For all of the foregoing reasons, the Board of Directors unanimously believes that this proposal is not in the best interests of the Company or our shareholders, and recommends that you vote “AGAINST” Proposal 3. Proxies solicited by the Board of Directors will be voted “AGAINST” this proposal unless a shareholder has otherwise indicated in voting the proxy.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “AGAINST” PROPOSAL 3.**

**PROPOSAL NO. 4: ADVISORY VOTE ON THE FREQUENCY**

**OF THE ADVISORY VOTE ON EXECUTIVE COMPENSATION**

In accordance with the proxy rules under the Exchange Act and as required by the Dodd-Frank Act, Inter Parfums, Inc. is required, no less frequently than once every six years, to put to shareholders an advisory shareholder vote concerning the frequency of future advisory votes concerning executive compensation. Our shareholders may indicate whether they would prefer an advisory vote concerning executive compensation every one, two or three years. Shareholders may also abstain on this proposal. Accordingly, our shareholders are being asked to approve the following resolution:

“RESOLVED, that the shareholders’ advisory vote concerning executive compensation shall occur every one, two, or three years, as approved by the shareholders at the annual meeting of shareholders.”

As provided by the Dodd-Frank Act, this vote will not be binding on the Board of Directors or the Compensation Committee and may not be construed as overruling a decision by the Board of Directors or the Compensation Committee nor imply any additional fiduciary duty on the Board of Directors. However, the Compensation Committee and the Board of Directors recognize the importance of receiving input from our shareholders on important issues and expect to take into account the outcome of the vote when considering the frequency with which future say-on-pay votes will be held. So long as a quorum representing a majority of our outstanding voting stock is present, either in person or by proxy, the affirmative vote of a plurality of the votes cast by all the shareholders entitled to vote for the proposal will determine our shareholders preference for the frequency of advisory votes on executive compensation in the future.

Our Board of Directors is recommending an advisory vote concerning executive compensation every year, because the Compensation Committee reviews and considers executive compensation and Inter Parfums, Inc.’s compensation policies and procedures on an annual basis. As a result, the Board believes that input from shareholders concerning executive compensation annually, although not binding, would be beneficial to the Compensation Committee as it

considers these matters. The accompanying form of proxy provides four choices (every one, two or three years, or abstain). Shareholders are voting on one of these frequencies and are not voting to approve or disapprove Inter Parfums, Inc.'s recommendation.

**Our Board of Directors recommends that shareholders vote “for” an advisory vote concerning executive compensation to be held each year.**



## SHAREHOLDERS' PROPOSALS

Proposals of shareholders intended to be presented at the 2018 annual meeting of shareholders must be received in writing by the Secretary of our company at our principal offices in New York City, by April 5, 2018, in order to be considered for inclusion in our proxy statement relating to that meeting.

If a shareholder intends to make a proposal at the 2018 Annual Meeting, such shareholder must have given timely notice thereof in proper written form to the Secretary of our company, in compliance with Section 8 of Article II of our By-Laws. To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at our principal executive office in New York, not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding annual meeting of shareholders *i.e.*, between July 14, 2018, and June 14, 2018; *however*, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a shareholder's notice to the Secretary must set forth as to each matter such shareholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and record address of such shareholder, (c) the class or series and number of shares of our capital stock which are owned-beneficially or of record by such shareholder, (d) a description of all arrangements or understandings between such shareholder and any other person or persons (including their names) in connection with the proposal of such business by such shareholder and any material interest of such shareholder in such business and (e) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

By Order of our Board of Directors

Michelle Habert, *Secretary*





