

STEVEN MADDEN, LTD.  
Form DEF 14A  
April 08, 2015

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**  
**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934 (Amendment No. \_\_)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Steven Madden, Ltd.**

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

␣No fee required.

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

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

oFee paid previously with preliminary materials.

oCheck 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:

**Dear Shareholders,**

2014 was a challenging year for Steve Madden as we faced a difficult retail landscape and a footwear market with few significant fashion trends. For the year, our consolidated net sales grew 2% to \$1.3 billion, and diluted EPS declined 11% to \$1.76. While our financial performance was not up to our standards, we took important steps throughout the year to strengthen our business and position Steve Madden for long-term success. We added new brands to our portfolio through acquisition, expanded our international business, invested in our direct-to-consumer business and returned capital to shareholders through share repurchases – all investments that we expect to drive EPS growth in 2015 and beyond.

**Adding Strong Brands to Our Portfolio**

Expanding our brand portfolio has been an important growth driver for the Company over the last several years, and, during 2014, we added two more powerful brands to our mix with the acquisitions of Dolce Vita and Brian Atwood.

In August 2014, we acquired Dolce Vita, one of the premier contemporary brands in the footwear industry and a strong complement to our portfolio as it targets a customer and price point that we do not address with our other brands. We look forward to capitalizing on Dolce Vita's loyal consumer following and well-earned reputation for outstanding design while also making needed operational improvements, including implementing processes for better control of inventory and operating expenses.

In March 2014, we acquired an 80% interest in the Brian Atwood intellectual property. Brian Atwood is the first true global luxury brand in our portfolio, and we believe there is significant untapped potential in both Brian Atwood and the B Brian Atwood diffusion brand. We plan to re-launch B Brian Atwood for Fall 2015 with both footwear and handbag collections.

In early 2015, we added another brand to our portfolio with our acquisition of the intellectual property and related assets of Blondo, a waterproof boot brand with a heritage that dates back over 100 years. Weather-resistant footwear is an important category that we did not previously have in our arsenal, and with approximately 70% of Blondo's business currently done in Canada, we see significant opportunity to expand the brand in other markets, particularly the United States.

**Expanding Our International Presence**

One of our most important long-term initiatives continues to be growing our business outside of the United States. In 2014, we further expanded our footprint in international markets, acquiring our distributor in Mexico and forming a joint venture in South Africa.

On December 30, 2014, we closed on the acquisition of our Mexican distributor, SM Mexico. SM Mexico has marketed the Steve Madden brand in Mexico since 2005 and distributes products in the wholesale channel as well as through 21 Steve Madden branded retail stores. We see significant growth opportunity in Mexico and plan to continue to expand in this important market by enhancing our presence in leading department stores, entering new wholesale accounts, growing our retail store base and introducing certain of our other brands, like Dolce Vita, into the Mexican market.

Additionally, we expanded our partnership with House of Busby in South Africa during the year. Busby has been the distributor of our Steve Madden brand in South Africa since 2011, and based on the success we have seen thus far, we elected to expand the partnership by forming a joint venture. We now own 50.1% of the business in South Africa, which includes four Steve Madden retail stores and 20 Steve Madden shop-in-shops in the leading South African retailer Edgars.

### **Enhancing Our Direct-To-Consumer Offerings**

In addition to our acquisition activity in 2014, we also invested in our existing business. In March 2014, we launched a new, interactive e-commerce site that enables stronger brand engagement with our customers. The new SteveMadden.com integrates social sharing, editorial commerce and improved targeting to offer customers a speedier and superior shopping experience, particularly on mobile devices. We have been pleased with the results we have seen thus far, which include a strong improvement in conversion rate on the site. We have also received great feedback from consumers, who enjoy being able to interact with both the brand and other Steve Madden fans and are responding to the ability to draw fashion, music and lifestyle inspiration from the site.

We also expanded our bricks and mortar presence during the year with the opening of 15 Steve Madden outlet stores, bringing us to 32 outlet locations at the end of 2014.

### **Returning Capital to Shareholders**

Finally, as part of our ongoing effort to maximize shareholder value, we returned \$142 million in capital to our shareholders in 2014 in the form of share repurchases. We repurchased 4.3 million shares during the year, or over 6% of the Company, at an average price of \$33.38 per share.

## Looking Ahead

While weak industry trends affected our performance during 2014, we operated our business with discipline, proactively managing our inventory levels and promotional activities to lessen the impact of soft sales throughout the year. As discussed, we also focused on making strategic investments that will enhance our growth prospects over the long term. As we look forward, we are encouraged by a number of positive signs we are seeing currently, including emerging fashion footwear trends, improving performance at our retail stores and better sell-through at our wholesale partners on new Spring product in both footwear and handbags. Today, our core Steve Madden business remains a market leader, our portfolio of brands is stronger than ever, and we are making progress on a number of growth initiatives that should enable us to grow the business in 2015 and for years to come.

In closing, we would like to thank all of our employees for their hard work and dedication, our customers for their loyalty, and you, our shareholders, for your continued support.

Sincerely,

EDWARD ROSENFELD  
CHIEF EXECUTIVE OFFICER

AWADHESH SINHA  
CHIEF OPERATING OFFICER

ARVIND DHARIA  
CHIEF FINANCIAL OFFICER

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON MAY 22, 2015**

TO THE STOCKHOLDERS:

The Annual Meeting of Stockholders (the “Annual Meeting”) of Steven Madden, Ltd. (the “Company”) will be held on Friday, May 22, 2015, at the Company’s showroom located at 1370 Avenue of the Americas, 14th Floor, New York, New York at 10:00 a.m., local time, for the purposes stated below:

- to elect eight  
(8) directors to
1. the Board of  
Directors of  
the Company;  
to ratify the  
appointment of  
EisnerAmper  
LLP as the  
Company’s  
independent  
registered
2. public  
accounting  
firm for the  
fiscal year  
ending  
December 31,  
2015;
3. to approve, on  
a non-binding  
advisory basis,  
the  
compensation  
of certain  
executive  
officers as  
disclosed in  
the  
accompanying  
proxy

statement; and  
to transact  
such other  
business as  
may properly  
4. come before  
the Annual  
Meeting or any  
adjournments  
thereof.

Only those stockholders of record at the close of business on April 2, 2015, the record date for the Annual Meeting, are entitled to notice of and to vote at the Annual Meeting and any adjournments thereof. Stockholders of record at the close of business on April 2, 2015, the record date for the Annual Meeting, will be admitted to the Annual Meeting upon presentation of valid, government-issued photo identification, such as a driver's license. Stockholders who own shares of the Company's common stock beneficially through a bank, broker or other nominee will be admitted to the Annual Meeting upon presentation of valid, government-issued photo identification and proof of ownership or a valid proxy signed by the record holder. A recent brokerage statement or a letter from a bank or broker are examples of proof of ownership. If you own shares of the Company's common stock beneficially and want to vote in person at the Annual Meeting, you should contact your broker or applicable agent in whose name the shares are registered to obtain a broker's proxy and bring it to the Annual Meeting in order to vote.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 22, 2015: THE NOTICE OF ANNUAL MEETING AND PROXY STATEMENT, ANNUAL REPORT, ELECTRONIC PROXY CARD AND ANY OTHER MATERIALS CONCERNING THE ANNUAL MEETING, TOGETHER WITH ANY AMENDMENTS TO ANY OF THESE MATERIALS, ARE AVAILABLE ON THE INTERNET AT WWW.PROXYVOTE.COM.**

BY ORDER OF THE BOARD OF DIRECTORS

April 8, 2015  
Long Island City, New York

Arvind Dharia  
Secretary

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE ANNUAL MEETING, PLEASE MARK, DATE AND SIGN THE ACCOMPANYING FORM OF PROXY AND MAIL IT PROMPTLY IN THE ENVELOPE PROVIDED TO: VOTE PROCESSING, C/O BROADRIDGE, 51 MERCEDES WAY, EDGEWOOD, NEW YORK 11717. ALTERNATIVELY, YOU MAY VOTE YOUR SHARES BY TELEPHONE OR THROUGH THE INTERNET AS DESCRIBED ON THE ACCOMPANYING PROXY CARD.



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**STEVEN MADDEN, LTD.**

**52-16 Barnett Avenue**

**Long Island City, New York 11104**

**PROXY STATEMENT**

**GENERAL INFORMATION**

The Board of Directors of Steven Madden, Ltd. requests your proxy in connection with the Annual Meeting of Stockholders (the “Annual Meeting”) of Steven Madden, Ltd. (the “Company”, “we” or “us”). The Annual Meeting will be held at the Company’s showroom located at 1370 Avenue of the Americas, 14th Floor, New York, New York on Friday, May 22, 2015 at 10:00 a.m., local time. Proxies also may be voted at any adjournments or postponements of the Annual Meeting.

On or about April 10, 2015, a notice containing instructions on how to access this Proxy Statement, the accompanying proxy card and related materials online is being mailed to holders of record of common stock, \$.0001 par value, of the Company (the “Common Stock”) at the close of business on April 2, 2015 (the “Record Date”). The Company’s Annual Report for the fiscal year ended December 31, 2014 (the “2014 Fiscal Year”), including audited financial statements, is included in the materials that are accessible online. This Proxy Statement contains information about the Annual Meeting as well as information regarding the voting process, director elections, our corporate governance programs and executive and director compensation, among other things. We recommend that you read all of these materials.

The Annual Meeting has been called to consider and take action on the following proposals:

- to elect eight (8) directors to the Board of Directors of the Company to serve until the next annual meeting of the Company’s stockholders;
- to ratify the appointment of EisnerAmper LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2015;
- to approve, on a non-binding advisory basis, the compensation of certain executive officers as disclosed in this Proxy Statement; and
- to transact such other business as may properly come before the Annual Meeting and any adjournments thereof.

The Board of Directors knows of no other matters to be presented for action at the Annual Meeting. However, if any other matters properly come before the Annual Meeting, the persons named in the proxy will vote on such other matters and/or for other nominees for director in accordance with their best judgment. The Company’s Board of Directors recommends that the stockholders vote “FOR” each of the proposals. Only holders of record of Common Stock of the Company at the close of business on the Record Date will be entitled to vote at the Annual Meeting.

The Company is incorporated in the State of Delaware. The principal executive offices of the Company are located at 52-16 Barnett Avenue, Long Island City, New York 11104 and the telephone number of the Company is (718) 446-1800.

#### Notice of Internet Availability of Proxy Materials

We continue to take advantage of the Securities and Exchange Commission (the “SEC”) “e-proxy” rules allowing us to furnish proxy materials through the Internet for the benefit and convenience of our stockholders. By using the e-proxy rules, we can expedite the receipt by stockholders of proxy materials while lowering the costs and reducing the environmental impact associated with our Annual Meeting. On or about April 10, 2015, we will furnish a Notice of Internet Availability of Proxy Materials (the “Availability Notice”) to most of our stockholders containing instructions on how to access the proxy materials and to vote online. In addition, instructions on how to request a printed copy of these materials will be found on the Availability Notice. If you received an Availability Notice by mail, you will not receive a paper copy of the proxy materials unless you request such materials by following the instructions contained in the Availability Notice.

For more information on voting your Common Stock, please refer to the following “Questions and Answers” section.

#### QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

##### **1. What is included in the proxy materials? What is a proxy statement and what is a proxy?**

The proxy materials for our Annual Meeting include the Notice of Annual Meeting, this Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2014. If you received a paper copy of these materials, the proxy materials also include a proxy card or voting instruction form.

A proxy is the delegation of your right to vote the Common Stock you own to another person, who is called your proxy. When you designate someone as your proxy in a written document, that document is called a proxy or a proxy card. SEC regulations require that we furnish a proxy statement to you when we ask you to sign a proxy designating individuals to vote your shares of Common Stock on your behalf. We have designated our officers Edward R. Rosenfeld and Arvind Dharia as proxies for the Annual Meeting.

##### **2. Who may vote at the Annual Meeting?**

Only stockholders of record are entitled to vote at the Annual Meeting. A stockholder of record is a stockholder of the Company as of the close of business on the Record Date. On the Record Date, there were 63,601,164 shares of our Common Stock outstanding (excluding treasury shares) held by approximately 110 registered holders of record and 20,388 beneficial owners.

##### **3. What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

If your shares are registered directly in your name with the Company’s registrar and transfer agent, American Stock Transfer & Trust Company, you are a “stockholder of record” with respect to those shares and, in such case, this Proxy Statement and the accompanying proxy materials have been provided directly to you by the Company. If your shares are held in a stock brokerage account or by a bank or nominee, your shares are held in “street name” and you are considered the “beneficial owner” of those shares and, in such case, this Proxy Statement and the accompanying proxy materials have been provided to you by your broker, bank or other stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or other stockholder of record how to vote your shares held in “street name.”

#### **4. What is considered a quorum to conduct the Annual Meeting?**

The presence, in person or by proxy, of the holders of a majority of the shares eligible to vote is necessary to constitute a quorum for the purpose of transacting business at the Annual Meeting. Under Delaware law (under which the Company is incorporated), abstentions and broker non-votes (meaning proxies from brokers, banks or nominees indicating that such persons have not received instructions on how to vote from the beneficial owner or other persons eligible to vote shares as to matters with respect to which the brokers, banks or nominees do not have discretionary power to vote) are counted as present for purposes of determining the presence or absence of a quorum for the transaction of business. If a quorum is not present, the Annual Meeting may be adjourned until a quorum is obtained.

#### **5. What is a “broker non-vote”?**

As discussed in the response to question 3, if your shares are held in “street name” by a broker, bank or other nominee, your broker, bank or other nominee is the record holder; however, the broker, bank or other nominee is required to vote the shares in accordance with your instructions. If you do not give instructions to your broker, bank or other nominee, as the case may be, the broker, bank or other nominee may, if permitted by the organizations of which it is a member, exercise discretionary voting power to vote your shares. A “broker non-vote” occurs when a broker, bank or other nominee of record holding shares for a beneficial owner has not received voting instructions from the beneficial owner and either chooses not to vote the shares on a particular proposal as to which the holder has discretionary voting power or does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item. Broker non-votes are considered present in determining whether a quorum is present.

**If you hold your shares in “street name,” we strongly encourage you to provide instructions regarding the voting of your shares as your broker or nominee cannot vote your shares with respect to certain of the proposals being presented at the Annual Meeting without voting instructions from you.**

#### **6. How many votes do I have? What shares are included on the proxy card?**

For each share of Common Stock that you own on the Record Date you are entitled to one vote on each matter presented at the Annual Meeting.

If you are a record holder, you will receive an Availability Notice or proxy card for all of the shares of Common Stock you hold in certificate form, in book-entry form and in any Company benefit plan. If you are a beneficial owner, you will receive information containing voting instructions from the broker, bank or other nominee through which you own your shares of Common Stock.

#### **7. How many votes are required to approve each proposal and what is the effect of abstentions and broker non-votes?**

*Proposal One (Election of Directors):* Under Delaware law, directors are elected by the affirmative vote of a plurality of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote. This means that the director nominees who receive the greatest number of affirmative votes cast are elected as directors, subject to our Director Election (Majority Voting) Policy discussed in Proposal One below.

*Proposal Two (Ratification of Appointment of EisnerAmper LLP):* The affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote is required to approve the ratification of the appointment of EisnerAmper LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2015.

*Proposal Three (Non-Binding Advisory Vote on Executive Compensation):* The affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote is required to approve, on a non-binding advisory basis, the compensation of the Company's Named Executive Officers as described in this Proxy Statement.

*Other Matters:* If any other matters are presented at the Annual Meeting, they must receive the affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote in order to be approved.

Abstentions will have no effect on the election of directors, but will be treated as present and entitled to vote on the remaining proposals and, therefore, abstentions will have the effect of votes "AGAINST" such proposals.

Proposal One (Election of Directors) will be decided by a plurality of the votes of the shares represented in person or by proxy. The approval of each of Proposals Two (Ratification of EisnerAmper LLP) and Three (Advisory Vote on Executive Compensation) requires a favorable vote of a majority of the shares present and entitled to vote on the applicable matter. As noted above, an abstention will have no effect on the election of directors but will have the same effect as a vote "AGAINST" each other proposal. Broker non-votes with respect to Proposals One, Two and Three will have no effect on the outcome of the vote with respect to that proposal.

## 8. How can I vote my shares?

Your vote is important. Your shares can be voted at the Annual Meeting only if you are present in person or represented by proxy. Even if you plan to attend the Annual Meeting, we urge you to authorize your proxy in advance. You may vote your shares by authorizing a proxy over the Internet or by telephone. In addition, if you received a paper copy of the proxy materials by mail, you can also submit a proxy by mail by following the instructions on the proxy card. Voting your shares by authorizing a proxy over the Internet, by telephone or by written proxy card will ensure your representation at the Annual Meeting regardless of whether you attend in person.

If you are the record holder of your shares, please authorize your proxy electronically by going to the <http://www.proxyvote.com> website or by calling the toll-free number listed below and on the proxy card. Please have your Proxy Statement or proxy card in hand when going online or calling. If you authorize your proxy via the Internet or by phone you do not need to return your proxy card. If you choose to authorize your proxy by mail, simply mark your proxy card and then date, sign and return it in the postage-paid envelope provided.

### VOTE BY INTERNET

<http://www.proxyvote.com>

Use the Internet to transmit your voting instructions and for electronic delivery of information.

### VOTE BY PHONE

1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions.

### VOTE BY MAIL

Vote Processing, c/o Broadridge  
51 Mercedes Way  
Edgewood, New York 11717

If you receive paper proxy materials, mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to the address shown above.

If you hold your shares beneficially in "street name" through a broker or nominee you may be able to authorize your proxy by telephone or the Internet as well as by mail, but you will need to obtain and follow instructions from your broker or nominee to vote these shares.

## 9. May I revoke my proxy for the Annual Meeting once I have given it?

You may revoke your proxy at any time before it is voted at the Annual Meeting by:

· properly executing and delivering a later dated proxy (including a telephone or Internet proxy authorization);

- voting by ballot at the Annual Meeting; or
- sending a written notice of revocation to the Corporate Secretary of the Company at Steven Madden, Ltd., 52-16 Barnett Avenue, Long Island City, New York 11104.

**10. How does the Board of Directors recommend that I vote my shares?**

The Board of Directors of the Company recommends that you vote:

- “FOR” the election of each of the eight director nominees;

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“FOR” the ratification of the appointment of EisnerAmper LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2015; and  
“FOR” the approval, on a non-binding advisory basis, of the executive compensation of the Company’s Named Executive Officers, as disclosed in this Proxy Statement.

ALL PROXIES RECEIVED WILL BE VOTED IN ACCORDANCE WITH THE CHOICES SPECIFIED ON SUCH PROXIES. PROXIES WILL BE VOTED IN FAVOR OF A PROPOSAL IF NO CONTRARY SPECIFICATION IS MADE. ALL VALID PROXIES OBTAINED WILL BE VOTED AT THE DISCRETION OF THE PERSONS NAMED IN THE PROXY WITH RESPECT TO ANY OTHER BUSINESS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF. AS NOTED ABOVE, IF YOU HOLD YOUR SHARES BENEFICIALLY THROUGH A BROKER, BANK OR OTHER NOMINEE AND FAIL TO PROVIDE SPECIFIC VOTING INSTRUCTIONS TO THAT BROKER, BANK OR OTHER NOMINEE, YOUR SHARES WILL NOT BE VOTED IN THE ELECTION OF DIRECTORS OR WITH RESPECT TO THE ADVISORY VOTE ON EXECUTIVE COMPENSATION.

**11. Who will bear the expenses of this solicitation and how are proxies being solicited?**

The Company will pay the costs of soliciting proxies, including preparing, printing and mailing this Proxy Statement, any exhibits hereto and the proxies solicited hereby. In addition to the use of the mails, proxies may be solicited on the Company’s behalf by officers, directors and employees of the Company, without additional remuneration, by personal interviews, telephone or electronic transmission. The Company will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares of Common Stock held of record by them and will provide reimbursements for the cost of forwarding the material in accordance with customary charges. The Company has entered into an agreement with D.F. King & Co., Inc. to assist in the solicitation of proxies and provide related advice and informational support. The total expense of this engagement, which will be borne by the Company, including customary disbursements, is not expected to exceed \$20,000 in the aggregate.

**12. How will the voting results be reported?**

The preliminary results of the voting on the proposals will be reported at the Annual Meeting. The final certified results will be reported in a Current Report on Form 8-K that will be filed with the SEC within four business days following the Annual Meeting.

**13. How do I submit a proposal for action at the Company’s 2016 Annual Meeting of Stockholders?**

In accordance with rules promulgated by the SEC, any stockholder who wishes to submit a proposal for inclusion in the proxy materials to be distributed by the Company in connection with the 2016 Annual Meeting of Stockholders of the Company (the “2016 Annual Meeting”) must do so no later than December 10, 2015. In addition, in accordance with Article I, Section 7(f) of the Company’s Amended and Restated By-Laws (the “By-Laws”), in order to be properly brought before the 2016 Annual Meeting, a matter must be either (i) specified in the notice of such meeting given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (ii) otherwise properly brought before such meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (iii) specified in a notice in proper written form given by a stockholder of record on the date of the giving of the notice and on the record date for such meeting, which notice conforms to the requirements of Article I, Section 7(f) of the By-Laws and is delivered to, or mailed and received at, the Company’s principal executive offices not less than 120 days nor more than 150 days prior to the first anniversary of the date of the Company’s 2015 Annual Meeting. Accordingly, any written notice given by or on behalf of a stockholder pursuant to the foregoing clause (iii) in connection with the 2016 Annual Meeting must be received no later than January 23, 2016 and no earlier than December 24, 2015. In addition, for business to be properly brought before the 2016 Annual Meeting by a stockholder



pursuant to the foregoing clause (iii), such stockholder shall have complied with any other applicable requirements, including, but not limited to, the requirements of Rule 14a-8 promulgated by the SEC.

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PROPOSAL ONE:

ELECTION OF DIRECTORS

The Company's By-Laws provide that the Board of Directors of the Company shall be comprised of a minimum of one director and that, subject to this limitation, the number of directors may be fixed from time to time by action of the directors. The Company's Board of Directors has fixed the number of directors to comprise the Board of Directors at eight directors and the Board of Directors presently is comprised of eight directors. Directors serve a one-year term and the term of each of the directors will expire at the Annual Meeting.

Stockholder Nominations for Board Membership

The Nominating/Corporate Governance Committee of the Board of Directors recommends to the Board director candidates for nomination and election at each annual meeting of stockholders or for appointment to fill vacancies on the Board. The Nominating/Corporate Governance Committee will review and evaluate the qualifications of proposed director candidates recommended to it from various sources, including candidates proposed by stockholders of the Company in accordance with the procedures established for that purpose. In accordance with Article II, Section 5 of the By-Laws, director nominations for the 2016 Annual Meeting can only be made by a stockholder of the Company who (i) is a stockholder of record on the date of the giving of the notice of such director nominations and on the record date for the determination of stockholders entitled to vote at the 2016 Annual Meeting and (ii) complies with the notice requirements and procedures set forth in Article II, Section 5 of the By-Laws. A stockholder's notice to the Corporate Secretary with respect to any such nominations must be timely and in proper written form pursuant to Article II, Section 5 of the Company's By-Laws, including containing certain information concerning the nominating or proposing stockholder and certain information concerning the nominee, and the notice must be delivered to, or mailed and received at, the Company's principal executive offices not less than 120 days nor more than 150 days prior to the first anniversary of the date of the Company's 2015 Annual Meeting. Accordingly, any written notice given by or on behalf of a stockholder pursuant to Article II, Section 5 of the Company's By-Laws in connection with the 2016 Annual Meeting must be received no later than January 23, 2016 and no earlier than December 24, 2015.

Nominees for Election to the Board of Directors

Upon recommendation of the Nominating/Corporate Governance Committee of the Board of Directors, the Board of Directors has nominated and is recommending to the stockholders the election of each of the eight nominees named below to serve as a director of the Company until the next annual meeting of the Company's stockholders and until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal from office. All of the nominees were elected directors at last year's Annual Meeting of Stockholders and each has agreed to be named in this Proxy Statement and to serve if elected.

The names and biographical summaries of the eight persons who have been recommended by the Nominating/Corporate Governance Committee of the Board of Directors and nominated by the Board of Directors to stand for election at the Annual Meeting are provided below for your information.

Our Board of Directors is responsible for overseeing our business in a manner consistent with the Board's fiduciary duty to our stockholders. This significant responsibility requires that our directors consist of individuals who are well-qualified for service on our Board and its committees and demonstrate a commitment to the success of the Company and to service in the best interests of our stockholders. The Board and the Nominating/Corporate Governance Committee select nominees with a view to establishing a Board of Directors that is comprised of individuals who have extensive business leadership experience, are independent, bring diverse perspectives to the Board, possess high ethical standards and sound business judgment and acumen and a willingness to devote the time necessary for the Board to effectively fulfill its responsibilities. We believe that all of the director nominees possess these qualifications and provide the Board with a full complement of knowledge, business skills and expertise for the effective management of our Company. In addition to these general qualifications, provided below for each nominee for director is a discussion of the experience, qualifications, attributes and skills that led to the Board's conclusion that the nominee should serve as a director.

<u>Name</u>	<u>Principal Occupation</u>	<u>Year Age Became a Director</u>
Edward R. Rosenfeld	Chairman of the Board and Chief Executive Officer, Steven Madden, Ltd.	39 2008
Rose Peabody Lynch	Owner of Marketing Strategies, LLC, New York based consulting firm of which she is founder and President, which focuses on strategic marketing and operating issues for small to medium-sized companies	65 2014
John L. Madden	Owner of JLM Consultants, Inc., which provides consulting services to the Company with respect to international sales	68 1993
Peter Migliorini	Sales Manager, Greschlers, Inc., a building supplies company	66 1996
Richard P. Randall	Retired Executive Vice President and Chief Financial Officer, Direct Holdings Worldwide, LLC, the parent company of Lillian Vernon Corp., a catalog and online retailer of gifts and household goods, and Time-Life, a music and video marketing company	77 2006
Ravi Sachdev	Managing Director, J.P. Morgan	38 2008
Thomas H. Schwartz	Owner, Sumner and Forge Investors LLC, a real estate investment and property management company	67 2004
Robert Smith	Chief Merchandising Officer, Haddad Brands, a global children's apparel and accessories licensing partner for iconic American brands such as Levi's, Hurley, Nike, Jordan and Converse	49 2014

#### **Additional Information About the Director Nominees**

#### **Other Public Company Directorships**

Two of our directors also currently serve as directors of other public companies:

Mr. Rosenfeld is a director and member of the Audit Committee of PVH Corp., one of the world's largest apparel companies.

Mr. Randall serves as a director and member of the Audit Committee of P&F Industries Inc., a manufacturer and importer of tools sold principally to the industrial, retail and automotive markets.

#### **Other Employment Information**

Each of our directors has been engaged in the principal occupation indicated in the foregoing table for more than the past five years, except for Mr. Smith who has held his position with Haddad Brands since 2013. Prior thereto, from 2010 to 2012, Mr. Smith served as Executive Vice President, Merchandising for Limited Brands, at Victoria's Secret Direct, the largest direct-to-consumer women's apparel retailer in the United States. From 1998 through 2010, Mr. Smith held various senior merchandising positions at Macy's Inc. beginning with Vice President, Merchandise Manager, Macy's West and culminating with Executive Vice President, Merchandising for Juniors, Kids, Intimate Apparel, Dresses, Suits, Coats and Swimwear.

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### **Specific Qualifications, Attributes, Skills and Experience of Director Nominees**

**Edward R. Rosenfeld**, who joined our executive management team in May 2005, has more than 17 years of experience focused on the retail, apparel and footwear industries and possesses particular knowledge of and experience in the industry that strengthens the Board's collective qualifications, skills and experience. His background in finance and his analytical skills gained through his years as a Vice President with Peter J. Solomon Company, an investment banking boutique, where he specialized in mergers and acquisitions in the retail, apparel and footwear industries, provide the Board with insight and guidance with respect to, among other things, strategic business development matters. Mr. Rosenfeld has strong leadership skills and an in-depth understanding of the Company and its goals from his positions as the Chairman of the Board and Chief Executive Officer. Mr. Rosenfeld serves as a director of PVH Corp., one of the world's largest apparel companies, and is also a director of Summer Search New York City, a non-profit corporation, whose mission is to help low-income teenagers develop skills and character traits to become college-educated leaders.

**Rose Peabody Lynch** will soon complete her first year of service as a director of the Company and as a member of the Audit Committee and the Compensation Committee. She possesses over 30 years of business experience, including tenures as the President and in other senior executive officer positions of major companies in the beauty and fashion industries, and has extensive executive level financial and operating experience. Her experience serving as a director and as a senior executive for a range of companies, including Victoria's Secret, Trowbridge Gallery (a supplier of fine art to the interior design trade) and Danskin, Inc., a leading manufacturer of women's dance and active wear, enhances the Board's leadership and oversight capabilities. Ms. Lynch has served on a number of boards, including The Harmony Group-LeRoi Princeton (a manufacturer of children's apparel), Salant Corporation (Perry Ellis Menswear) and Frederick's of Hollywood (a retailer of women's apparel and lingerie). She was a member of the Audit and Nominating and Governance Committees during her tenure at Salant and chaired the Compensation Committee during her tenure on the board of Frederick's of Hollywood. In addition, Ms. Lynch has held leadership positions with a variety of charities and currently serves as a director of S.O.S. Children's Villages, the U.S. arm of an international non-profit organization dedicated to providing assistance to children. She currently serves on the Board of Directors of the Princeton University Varsity Club and is President of her Princeton University class. Ms. Lynch is also a member of the Women and Foreign Policy Advisory Council at the Council on Foreign Relations.

**John L. Madden** has served as a director of the Company for more than 20 years. Mr. Madden owned a branch office of Tradeway Securities Group, Inc., a brokerage firm, in Florida from April 1998 through September 2003 and, from May 1996 through December 1996, his consulting company, JLM Consultants, Inc., acted as a branch office of Merit Capital, Inc., a brokerage firm. Mr. Madden has also served as Vice President of Investments for GKN Securities, Inc., a brokerage firm, and was employed by Biltmore Securities, Inc., a brokerage firm, as Managing Director and registered sales representative. As a result of Mr. Madden's numerous years of experience in finance and investing, he possesses a proficiency in financial analysis and investing that strengthens the Board's collective qualifications, skills and experience and provides the Board with greater insight and guidance. His years in business consulting and his strong financial background have provided him with expertise in addressing operational and management issues and providing overall direction for complex corporations like ours. Mr. Madden brings a wealth of knowledge and a depth of experience that comes from his lengthy tenure as a director of the Company. His knowledge of Company history and his understanding of the Company in the context of the Company's long-term strategic plan provides the Board with continuity of direction and focus. Mr. Madden is the brother of Steven Madden, the Company's founder and Creative and Design Chief. Please see the section of this Proxy Statement captioned "Certain Relationships and Related Party Transactions."

**Peter Migliorini** has served as a director of the Company since October 1996 and has served on the Company's Audit Committee since October 1996, the Nominating/Corporate Governance Committee, as its Chair, since July 2004 and

the Compensation Committee, as its Chair, since July 2004. Mr. Migliorini is also Presiding Director over all executive sessions of the independent directors. Mr. Migliorini possesses extensive executive level financial, sales and operations experience. Prior to serving as sales manager for Greschlers, Inc., from 1987 to 1994, Mr. Migliorini served as Director of Operations for Mackroyce Group, a construction company. Earlier, Mr. Migliorini held various positions of increasing responsibility from Assistant Buyer to Chief Planner/Coordinator for several shoe companies, including Meldisco Shoes, Perry Shoes and Fasco Shoes. His numerous years of business experience at various levels and in various industries provide the Board with a measure of practical orientation regarding the Company's operations and growth endeavors. Mr. Migliorini's early experience in the shoe industry also provides relevant knowledge and expertise in the Company's specific industry.

**Richard P. Randall** has served as a director of the Company since April 2006 and has served on the Company's Audit Committee, as its Chair, since 2006, and on the Nominating/Corporate Governance Committee since September 2008. Mr. Randall has decades of business experience, including tenures as Chief Financial Officer and Chief Operating Officer of both publicly traded and privately held companies in the retail industry, including Direct Holdings Worldwide, LLC, the parent company of Lillian Vernon Corp. and Time-Life, a music and video marketing company, and, prior thereto, Coach, Inc., a luxury leather goods company. Mr. Randall possesses extensive knowledge of accounting and finance, the retail industry and the issues impacting a publicly traded company. Mr. Randall has extensive executive level experience establishing his capabilities in management of complex organizations and is a certified public accountant. His expertise in finance qualifies him to serve as the Audit Committee "audit committee financial expert" and his service on the boards and board committees of other companies has allowed him to gain broad-based experience and sensitivity regarding best practices, which he shares with the Board. Mr. Randall also provides a perspective on proper governance for public companies. He currently serves as a member of the board of directors and Audit Committee of P&F Industries, Inc., a manufacturer and importer of tools sold principally to the industrial, retail and automotive markets, as well as residential hardware and, until December 31, 2014, served as a member of the board of directors and chair of the Audit and Risk Committee of Aceto Corporation, a generic pharmaceutical, nutraceutical and chemical distribution company. Mr. Randall is a former director and member of the Executive, Finance, Audit and Research Committees of The Burke Rehabilitation Hospital ("Burke"). He currently serves as a Member Emeritus of Burke's Executive Committee and retains a board seat on The Burke Foundation's board. Mr. Randall served as a director and chair of the Audit Committee of Universal Travel Group, a travel services provider in the People's Republic of China, and of Home Systems Group, a manufacturer and distributor of household appliances in the People's Republic of China, from 2007 until 2008 when he resigned from these boards.

**Ravi Sachdev** has been a director of the Company since September 2008 and has served on the Company's Audit Committee since September 2008. As a Managing Director of J.P. Morgan, Mr. Sachdev focuses on the healthcare services subsector. Earlier, Mr. Sachdev was a Managing Director at Deutsche Bank Securities, Inc. from January 2009 and prior to that held the position of Director at Deutsche Bank from January 2007 until January 2009. Prior to joining Deutsche Bank in 2006 as a Vice President, Mr. Sachdev served as a Vice President at Peter J. Solomon Company, an investment banking boutique, specializing in mergers and acquisitions in the healthcare sector, from 1998 to 2006. Mr. Sachdev possesses knowledge of finance and the financial analytics used to measure business performance. His 17 years of professional experience in investment banking brings to the Board a thorough understanding of the financial issues affecting public companies and greater insights in business valuation together with a practical orientation with respect to acquisitions and integrations.

**Thomas H. Schwartz** has served as a director of the Company since May 2004 and has served on the Company's Compensation Committee since July 2004. With more than twenty years of experience as a Managing Director of Helmsley-Spear, Inc. and seven years as the owner of his own real estate investment firm, Mr. Schwartz brings to the Board extensive executive level experience in handling operations issues and practical expertise in management.

**Robert Smith** will soon complete his first year of serving as a director of the Company and as a member of the Compensation Committee and the Nominating/Corporate Governance Committee. Prior to his current and former positions with Haddad Brands and Victoria's Secret Direct, respectively, Mr. Smith held various senior merchandising positions at Macy's Inc. between 1998 and 2010, beginning with Vice President, Merchandise Manager, Macy's West and culminating with Executive Vice President, Merchandising for Juniors, Kids, Intimate Apparel, Dresses, Suits, Coats and Swimwear. Earlier, Mr. Smith was a Merchandiser for XOXO Apparel Company and held various positions with Burdine's Department Stores. Mr. Smith possesses nearly 30 years of business experience in the fashion industry and has extensive executive level expertise in merchandising. His experience in this area will further enhance the Board's depth of understanding of the industry.





## **Required Vote**

Proxies will be voted for the election of the eight nominees as directors of the Company unless otherwise specified in the proxy. A plurality of the votes cast by the holders of shares of Common Stock present in person or represented by proxy and entitled to vote at the Annual Meeting will be necessary to elect the nominees as directors. This means that the director nominees who receive the greatest number of affirmative votes cast are elected as directors subject to our Director Election (Majority Voting) Policy, which is described below. If, for any reason, any nominee is unable or unwilling to serve, the proxies will be voted for a substitute nominee who will be designated by the Board of Directors at the Annual Meeting. Stockholders may abstain from voting by marking the appropriate boxes on the accompanying proxy. Abstentions will be counted separately and used for purposes of calculating whether a quorum is present at the Annual Meeting, but will have no effect on the outcome of the vote.

## **Director Election (Majority Voting) Policy**

It is the policy of the Company that any nominee for director who receives a greater number of “WITHHOLD” votes than “FOR” votes for his or her election must promptly submit a letter offering his or her resignation to the Nominating/Corporate Governance Committee following the certification of the stockholder vote. In such event, the Nominating/Corporate Governance Committee would then consider the offer of resignation and make a recommendation to the Board of Directors as to whether or not the resignation should be accepted. This policy does not apply in contested elections. For more information about this policy, see “Corporate Governance – Director Election (Majority Voting) Policy” below.

## **Recommendation of the Board of Directors**

The Nominating/Corporate Governance Committee of the Board and the entire Board of Directors unanimously recommend a vote “FOR” the election of Ms. Rose Peabody Lynch and Messrs. Edward R. Rosenfeld, John L. Madden, Peter Migliorini, Richard P. Randall, Ravi Sachdev, Thomas H. Schwartz and Robert Smith.

## CORPORATE GOVERNANCE

### The Board of Directors

Our business is managed under the direction and oversight of the Board of Directors who are elected by the Company's stockholders. Directors meet their responsibilities by participating in meetings of the Board of Directors and the various committees of the Board on which they sit, as well as through communicating with our Chairman and Chief Executive Officer, other officers and employees of the Company and by consulting with our independent registered public accounting firm and other third parties.

As noted below, our Board is currently comprised of six independent and two non-independent directors.

### Director Independence

The Board of Directors has determined that the following director nominees are "independent" for purposes of the criteria of the SEC and The Nasdaq Global Select Market listing standards: Ms. Lynch and Messrs. Migliorini, Randall, Sachdev, Schwartz and Smith. If the eight nominees set forth above are elected, the Board will be comprised of a majority of independent directors. The Board of Directors has held regularly scheduled executive sessions for the independent directors, with Peter Migliorini serving as Presiding Director of such executive sessions.

### Director Attendance at Meetings

#### *Attendance at Annual Meetings of Stockholders*

The Company has no specific policy regarding director attendance at its annual meetings of stockholders. The Company encourages all of its directors to attend annual meetings of the Company's stockholders and two directors attended the Company's 2014 annual meeting of stockholders.

#### *Attendance at Meetings of the Board of Directors*

The Board of Directors held four regularly scheduled meetings, one of which was not attended by Mr. Madden and one of which was not attended by Ms. Lynch and Mr. Smith since they were not directors at the time of the meeting. The Board held two special meetings during the 2014 Fiscal Year, one of which was not attended by Mr. Sachdev. The Board acted by unanimous written consent on four occasions during the 2014 Fiscal Year. In 2014, each director attended at least 75% of the aggregate number of Board meetings, and each director attended at least 75% of the aggregate number of meetings held by all committees on which he or she then served.

### Director Election (Majority Voting) Policy

The Company has adopted a Director Election (Majority Voting) Policy. Pursuant to this policy, in an uncontested election of directors (that is, an election where the number of nominees is equal to the number of seats open) any nominee for director who receives a greater number of "WITHHOLD" votes than "FOR" votes for his or her election must promptly submit an offer of resignation to the Nominating/Corporate Governance Committee following the certification of the stockholder vote for consideration in accordance with the following procedures.

In such event, upon receipt of the resignation, the Nominating/Corporate Governance Committee would promptly consider the appropriateness of the director's continued service on the Board of Directors and recommend to the Qualified Independent Directors (as defined below) the action to be taken with respect to the resignation, which could

include (1) accepting the resignation; (2) rejecting the resignation; (3) retaining the director but addressing what the Qualified Independent Directors believe to be the underlying cause of the “WITHHOLD” votes; or (4) determining that the director will not be renominated by the Board of Directors in future elections. The Nominating/Corporate Governance Committee would consider factors such as (a) the reasons expressed by the stockholders for withholding votes from such director; (b) any possibilities for curing the underlying cause of the “WITHHOLD” votes; (c) the tenure and qualifications of the director and his or her past and expected future contributions to the Company; (d) the overall composition of the Board of Directors, including, without limitation, whether accepting the resignation would cause the Company to fail to meet any applicable SEC or Nasdaq requirement; (e) the availability of other qualified candidates; and (f) the Company’s Board of Director Candidate Guidelines.

The Qualified Independent Directors would then act on the Nominating/Corporate Governance Committee's recommendation no later than 90 days following the date of the stockholders' meeting at which the director election occurred. In considering the Nominating/Corporate Governance Committee's recommendation, the Qualified Independent Directors would review the factors considered by the Nominating/Corporate Governance Committee and such additional information and factors that they believe to be relevant. Following the Qualified Independent Directors' decision, the Company would promptly disclose the decision in a Current Report on Form 8-K. The Form 8-K would include a full explanation of the process by which the decision of the Qualified Independent Directors was reached and, if applicable, the reasons why the offer of resignation was rejected.

In the event that an offer of resignation were to be accepted, the Nominating/Corporate Governance Committee would recommend to the Board of Directors whether to fill the vacancy or reduce the size of the Board of Directors accordingly. Any director required to submit his or her resignation pursuant to this policy would not participate in the Nominating/Corporate Governance Committee's recommendation or the Qualified Independent Directors' consideration of the resignation but, prior to voting on the director's resignation offer, the Qualified Independent Directors would provide to the director an opportunity to submit any information or statement that he believes relevant to the Qualified Independent Directors' consideration of the resignation.

For purposes of this policy, "Qualified Independent Directors" means all directors who (1) are "independent" for purposes of The Nasdaq Global Select Market listing standards and (2) are not required to offer their resignation in accordance with this policy. If there are fewer than three independent directors then serving on the Board of Directors who are not required to submit their resignations in accordance with this policy, then the Qualified Independent Directors shall consist of all of the independent directors and each independent director who is required to offer his or her resignation in accordance with this policy shall recuse himself or herself from the deliberations and voting only with respect to his or her individual offer to resign.

#### Committees of the Board

Among other committees, the Board of Directors has a standing Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee. Each committee has a written charter. The table below provides current membership for each Board committee.

#### Committees of the Board of Directors

<b>Director</b>	<b>Audit</b>	<b>Compensation</b>	<b>Nominating/ Corporate Governance</b>
Edward R. Rosenfeld			
Rose Peabody Lynch	Member	Member	
John L. Madden			
Peter Migliorini	Member	Chair	Chair
Richard P. Randall	Chair		Member
Ravi Sachdev	Member		
Thomas H. Schwartz		Member	
Robert Smith		Member	Member
Number of meetings in 2014 Fiscal Year	4	1*	4**

\* The Compensation Committee also acted by unanimous written consent on three occasions during the 2014 Fiscal Year.

\*\*The Nominating/Corporate Governance Committee also acted by unanimous written consent on two occasions during the 2014 Fiscal Year.

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### ***Audit Committee***

The Audit Committee is comprised of directors who are “independent” for purposes of The Nasdaq Global Select Market listing standards and who meet the independence requirements contained in Securities Exchange Act of 1934, as amended (the “Exchange Act”) Rule 10A-3(b)(1). The Board has determined that each of Messrs. Randall and Sachdev meets the SEC criteria of an “audit committee financial expert” as defined in Item 407 of Regulation S-K under the Exchange Act. The Audit Committee is primarily responsible for reviewing the services performed by the Company’s independent registered public accountants, evaluating the Company’s accounting policies and its system of internal controls, and reviewing significant financial transactions.

The Audit Committee is responsible for reviewing and striving to ensure the integrity of the Company’s financial statements and oversight of our compliance with legal and regulatory requirements and our internal audit function. Among other matters, the Audit Committee, with management and independent and internal auditors, reviews the adequacy of the Company’s internal accounting controls that could significantly affect the Company’s financial statements. The Audit Committee is also directly and solely responsible for the appointment, retention, compensation, oversight and termination of the Company’s independent registered public accountants. In addition, the Audit Committee functions as the Company’s Qualified Legal Compliance Committee (the “QLCC”). The purpose of the QLCC is to receive, retain and investigate reports made directly, or otherwise made known, of evidence of material violations of any United States federal or state law, including any breach of fiduciary duty by the Company, its officers, directors, employees or agents, and if the QLCC believes appropriate, to recommend courses of action to the Company.

Management has primary responsibility for the Company’s financial statements and the overall reporting process, including the Company’s system of internal controls. The Company’s independent registered public accountants audit the annual financial statements prepared by management, express an opinion as to whether those financial statements present fairly the financial position, results of operations and cash flows of the Company in conformity with accounting principles generally accepted in the United States and discuss with the Audit Committee any issues they believe should be raised with the Audit Committee.

The Audit Committee is also responsible for the oversight of the Company’s risk management process, which is discussed in the “Risk Oversight” section below.

In performing its functions, the Audit Committee meets with management on at least a quarterly basis to review and discuss the annual audited financial statements, quarterly financial statements and related reports and to consider the adequacy of the Company’s internal controls and the objectivity of its financial reporting. The Audit Committee discusses these matters with the Company’s independent registered public accountants and with appropriate Company financial personnel. Meetings are held with the independent registered public accountants, who have unrestricted access to the Audit Committee. In addition, the Audit Committee reviews the Company’s financing plans and reports and makes recommendations to the full Board of Directors for approval and to authorize action. The Board has adopted a written charter setting out the functions the Audit Committee is to perform. A copy of the Audit Committee Charter is available on the Company’s website at [www.stevemadden.com](http://www.stevemadden.com).

### ***Nominating/Corporate Governance Committee***

The Nominating/Corporate Governance Committee is comprised of directors who are “independent” for purposes of The Nasdaq Global Select Market listing standards.

The Nominating/Corporate Governance Committee provides oversight with respect to a wide range of issues relating to the composition and operation of the Board, including consideration of and recommendations regarding the size and composition of the Board of Directors and identification of potential candidates to serve as directors. The

Nominating/Corporate Governance Committee identifies candidates to the Board of Directors by introductions from management, members of the Board of Directors, employees of the Company or other sources, including stockholders that satisfy the Company's policy regarding stockholder recommended candidates. The Nominating/Corporate Governance Committee does not evaluate director candidates recommended by stockholders differently than director candidates recommended by other sources.

Stockholders wishing to submit recommendations for director nominations for the 2016 Annual Meeting should write to the Corporate Secretary, Steven Madden, Ltd., 52-16 Barnett Avenue, Long Island City, New York 11104. Any such stockholder must (i) comply with the director nomination provisions of the Company's By-Laws, (ii) meet and evidence the minimum eligibility requirements specified in Exchange Act Rule 14a-8, and (iii) submit, within the same timeframe for submitting a stockholder proposal required by Rule 14a-8: (1) evidence in accordance with Rule 14a-8 of compliance with the stockholder eligibility requirements, (2) the written consent of the candidate(s) for nomination as a director, (3) a resume or other written statement of the qualifications of the candidate(s) for nomination as a director, and (4) all information regarding the candidate(s) and the submitting stockholder that would be required to be disclosed in a proxy statement filed with the SEC if the candidate(s) were nominated for election to the Board of Directors.

In considering candidates for the Board of Directors, the Nominating/Corporate Governance Committee considers the Company's Board of Director Candidate Guidelines and Director Election (Majority Voting) Policy, available on the Company's website at [www.stevemadden.com](http://www.stevemadden.com), the Company's policy regarding stockholder recommended director candidates, as set forth above, and all other factors that are deemed appropriate including, but not limited to, the individual's character, education, experience, knowledge and skills. While the Nominating/Corporate Governance Committee's Board of Directors Candidate Guidelines does not expressly identify diversity as a factor for consideration regarding the evaluation of director candidates, diversity is among the many factors the Nominating/Corporate Governance Committee considers in the candidate evaluation process. To assess the effectiveness of the mandate set forth in the Nominating/Corporate Governance Committee's charter, the Nominating/Corporate Governance Committee reviews annually with the Board the composition of the Board as a whole and recommends, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole.

In addition, the Nominating/Corporate Governance Committee develops and recommends corporate governance principles for the Company; makes recommendations to the Board of Directors in support of such principles; takes a leadership role in the shaping of the corporate governance of the Company; and oversees the evaluation of the Board of Directors and management. The Nominating/Corporate Governance Committee operates under a formal charter that governs the Committee's composition, powers and responsibilities. A copy of the Nominating/Corporate Governance Committee Charter is available on the Company's website at [www.stevemadden.com](http://www.stevemadden.com).

### ***Compensation Committee***

The Compensation Committee is comprised of directors who are "independent" for purposes of The Nasdaq Global Select Market listing standards and applicable tax and securities rules.

The Compensation Committee is responsible for establishing and overseeing the Company's compensation and incentive plans and programs; determining and approving compensation for the Company's executive officers, including salaries, bonuses, perquisites and equity awards; reviewing and approving compensation and awards for the Company's executive officers under the Company's compensation and incentive plans and programs; administering the Company's equity compensation plans; reviewing and approving a compensation program for independent members of the Board; and assisting the Board in discharging the Board's responsibilities relating to management organization, performance, compensation and succession. The Compensation Committee operates under a formal charter adopted by the Board of Directors that governs its composition, powers and responsibilities. A copy of the Compensation Committee Charter is available on the Company's website at [www.stevemadden.com](http://www.stevemadden.com).



Board Leadership Structure, Risk Oversight, Executive Sessions of Non-Employee Directors, and Communications Between Stockholders and the Board

### ***Board Leadership Structure***

As noted above, our Board is currently comprised of six independent and two non-independent directors.

Mr. Rosenfeld has served as Chairman of the Board and Chief Executive Officer since August 2008, and has been a member of the Board since February 2008. The Board has designated one of the independent directors as Presiding Director to preside over executive sessions. We believe that the number of independent, experienced directors that comprise our Board, along with the independent oversight of our Presiding Director, benefits the Company and its stockholders.

We recognize that different board leadership structures may be appropriate for companies in different situations and believe that no one structure is suitable for all companies. We believe our current Board leadership structure is optimal for the Company because it demonstrates to our employees, suppliers, customers, and other stakeholders that the Company is under strong leadership, with a single person setting the tone and having primary responsibility for managing our operations and leading the Board in setting long-term strategy. Having a single leader for both the Company and the Board eliminates confusion and duplication of efforts, and provides clear leadership for the Company. We believe the Company, like many U.S. companies, has been well-served by this leadership structure.

Because the positions of Chairman of the Board and Chief Executive Officer are held by the same person, the Board believes it is appropriate for the independent directors to elect one independent director to serve as a Presiding Director. In addition to presiding at executive sessions of the independent directors, the Presiding Director has various responsibilities including coordinating with the Chairman of the Board and Chief Executive Officer in establishing agenda and discussion items for Board meetings; retaining independent advisors on behalf of the Board as the Board may determine to be necessary or appropriate and performing such other functions as the independent directors may designate from time to time. Mr. Migliorini is currently serving as the Presiding Director.

Our Board conducts an annual evaluation in order to determine whether it and its committees are functioning effectively. As part of this annual self-evaluation, the Board evaluates whether the current leadership structure continues to be optimal for the Company and its stockholders.

### ***Risk Oversight***

Our Board is responsible for overseeing the Company's risk management process. The Board focuses on the Company's general risk management strategy, the most significant risks facing the Company, and ensures that appropriate risk mitigation strategies are implemented by management. The Board is also apprised of particular risk management matters in connection with its general oversight and approval of corporate matters.

The Board has delegated to the Audit Committee oversight of the Company's risk management process. Among its duties, the Audit Committee reviews with management (a) the Company's policies with respect to risk assessment and management of risks that may be material to the Company, (b) the Company's system of disclosure controls and system of internal controls over financial reporting, and (c) the Company's compliance with legal and regulatory requirements. The Audit Committee is also responsible for reviewing major legislative and regulatory developments that could materially impact the Company's contingent liabilities and risks. Our other Board committees also consider and address risks as they perform their respective committee responsibilities. All committees report to the full Board as appropriate, including when a matter rises to the level of a material or enterprise level risk.

The Company's management is responsible for day-to-day risk management. Our risk management and internal audit areas serve as the primary monitoring and testing function for company-wide policies and procedures, and manage the day-to-day oversight of the risk management strategy for the ongoing business of the Company. This oversight includes identifying, evaluating, and addressing potential risks that may exist at the enterprise, strategic, financial, operational, and compliance and reporting levels.

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We believe the division of risk management responsibilities described above is an effective approach for addressing the risks facing the Company and that our Board leadership structure supports this approach.

#### *Executive Sessions of Independent Directors*

The Board holds executive sessions of its independent directors generally at each regularly scheduled meeting. The Presiding Director serves as the chairperson for these executive sessions.

#### *Communications between Stockholders and the Board*

The Company has adopted a procedure by which stockholders may send communications to one or more members of the Board of Directors by writing to such director(s) or to the entire Board of Directors in care of the Corporate Secretary, Steven Madden, Ltd., 52-16 Barnett Avenue, Long Island City, New York 11104. The Board has instructed the Corporate Secretary to review all communications so received and to exercise his discretion not to forward to the Board correspondence that is inappropriate, such as business solicitations, frivolous communications and advertising, routine business matters (i.e. business inquiries, complaints, or suggestions) and personal grievances. However, any director may at any time request the Corporate Secretary to forward to such director any and all communications received by the Corporate Secretary but not forwarded to the directors.

#### Codes of Business Conduct and Ethics

The Company has adopted a Code of Ethics for the Chief Executive Officer and Senior Financial Officers, which is applicable to our Chief Executive Officer, Chief Financial Officer, controller, principal accounting officer, head of internal audit and other employees of the Company who are designated from time to time as “senior financial officers” of the Company. In addition, the individuals who serve on our Board of Directors are subject to a Code of Business Conduct and Ethics for the Board of Directors and all of the Company’s employees are held accountable for adherence to the Company’s Code of Business Conduct and Ethics. Each of the Code of Ethics for the Chief Executive Officer and Senior Financial Officers, the Code of Business Conduct and Ethics for the Board of Directors and the Code of Business Conduct and Ethics (collectively, the “Conduct Code”) is included as an exhibit to our Annual Report on Form 10-K and are available on the Company’s website at [www.stevemadden.com](http://www.stevemadden.com) and, in addition, may be obtained by any stockholder without charge upon request by writing to the Corporate Secretary, Steven Madden, Ltd., 52-16 Barnett Avenue, Long Island City, New York 11104. The Conduct Code is intended to establish standards necessary to deter wrongdoing and to promote compliance with applicable governmental laws, rules and regulations and honest and ethical conduct. The Conduct Code covers all areas of professional conduct, including conflicts of interest, fair dealing, financial reporting and disclosure, protection of Company assets and confidentiality. Employees have an obligation to promptly report any known or suspected violation of the Conduct Code without fear of retaliation. Waiver of any provision of the Conduct Code for executive officers and directors may only be granted by the Board of Directors or one of its committees and any such waiver or modification of the Conduct Code relating to such individuals will be disclosed by the Company.

#### Corporate Governance Guidelines

The Board of Directors has adopted Corporate Governance Guidelines as a set of guiding principles by which the Company is governed. Various matters of corporate governance are addressed in the Corporate Governance Guidelines, such as board size and composition, director qualifications and responsibilities, director compensation, limitations on service on other boards, board committees, director orientation and education, director access to management, management development and succession planning and annual performance evaluations for the Board. The Corporate Governance Guidelines also include a clawback of executive incentive compensation paid to senior executive officers in the event of an accounting restatement by the Company due to intentional misconduct of an executive officer.



The Nominating/Corporate Governance Committee reviews the Corporate Governance Guidelines annually to determine whether to recommend changes to the Corporate Governance Guidelines to reflect new laws, rules and regulations and developing governance practices. A copy of the Corporate Governance Guidelines is available on the Company's website at [www.stevemadden.com](http://www.stevemadden.com) and may also be obtained by any stockholder without charge upon request by writing to the Corporate Secretary, Steven Madden, Ltd., 52-16 Barnett Avenue, Long Island City, New York 11104.

#### Stock Ownership Guidelines

The Board of Directors has recently adopted Stock Ownership Guidelines, which require a level of ownership of shares of our Common Stock by our directors and executive officers in order to align their interests with those of our stockholders. The Stock Ownership Guidelines require our Chief Executive Officer to own shares of our Common Stock equal in value to five times his annual base salary. Other executive officers of the Company are required to own shares of our Common Stock equal in value to two times their annual base salary. The Stock Ownership Guidelines further require that non-employee directors of the Company must own shares of our Common Stock equal in value to five times the cash portion of the directors' annual retainer or the equivalent if a retainer is not received in certain circumstances. Individuals subject to the Stock Ownership Guidelines must attain the required level of share ownership by the fifth anniversary of the later of the Stock Ownership Guidelines' adoption date and the date that the individual became an executive officer or director and must retain an amount equal to 25% of the net shares of our Common Stock received as a result of the exercise, vesting or payment of any equity award made by the Company until the share ownership requirement is satisfied.

#### Prohibition on Hedging and Pledging of Our Common Stock

Our directors and executive officers are prohibited from entering into hedging transactions and from pledging our Common Stock pursuant to a formal policy concerning such activities recently adopted by the Board of Directors. The Board of Directors has waived compliance with the Company's anti-pledging policy as to Board member, Richard Randall, with respect to a pre-existing pledge of shares of the Company's Common Stock owned by Mr. Randall and pledged as collateral security for a margin brokerage account and have provided Mr. Randall with a grace period through December 31, 2015 in which to gain compliance.

#### Corporate Social Responsibility Policy

The Company is committed to operating its business in a socially responsible manner. We strive to incorporate this commitment into every aspect of our business, including the design of our products, the quality, safety and sourcing of our products, the safety and fair treatment of our employees, animal welfare and compliance with laws, including the Foreign Corrupt Practices Act and the SEC's Conflict Minerals rule. These guiding principles are set forth in our Corporate Social Responsibility Policy and we expect all of our employees to be familiar with and to adhere to them. We strive to do business with vendors and suppliers that share our views and commitments to quality products and ethical business principles. We will only engage vendors and suppliers that demonstrate a commitment to meeting our standards.

#### Certain Relationships and Related Party Transactions

*JLM Consultants, Inc., a company wholly-owned by John L. Madden.* Since 2004, the Company has engaged JLM Consultants, Inc., a company wholly-owned by John L. Madden, a member of the Board and the brother of Steven Madden, the Company's founder and Creative and Design Chief, to provide consulting services to the Company with respect to the development of international sales of the Company. On February 23, 2012, the Company entered into a consulting agreement (the "JLM Consulting Agreement") with JLM Consultants, Inc. to replace a prior consulting agreement. The JLM Consulting Agreement expired by its terms on December 31, 2014, but Mr. Madden continues to

provide consulting services to the Company and the Company continues to make payments to JLM Consultants, Inc. consistent with those that would have been required under the expired consulting agreement. In accordance with the terms of the JLM Consulting Agreement, for the 2014 Fiscal Year, JLM Consultants, Inc. received the following compensation from the Company for services rendered: (a) a commission equal to 1% of net sales, excluding retail royalty income; (b) a commission equal to 10% of retail royalty income; (c) 1% of any commission income to the International division that is not recognized in net sales; (d) a monthly draw in the amount of \$25,000, which amount is offset against commissions earned; (e) a \$1,000 per month travel allowance; and (f) monthly reimbursements, in the aggregate amount of \$59,888 in the 2014 Fiscal Year, for health insurance premiums for John L. Madden. Pursuant to this arrangement, JLM Consultants, Inc. received a total of \$1,240,375 from the Company in the 2014 Fiscal Year.

Pursuant to the JLM Consulting Agreement, on January 2, 2013, the Company issued 72,012 restricted shares of the Company's Common Stock to JLM Consultants, Inc. under the Steven Madden, Ltd. 2006 Stock Incentive Plan, as amended (the "2006 Plan"), which shares will vest in twelve substantially equal quarterly installments over a three-year period commencing on April 1, 2013 and continuing to vest quarterly thereafter until the final installment vests on January 1, 2016.

*Steven Madden Employment Agreement.* Effective as of July 1, 2005, the Company amended and restated its employment agreement with the Company's founder and Creative and Design Chief, Steven Madden, pursuant to which Mr. Madden agreed to continue to serve as the Company's Creative and Design Chief. The term of Mr. Madden's employment under his employment agreement commenced on July 1, 2005 and, in accordance with the amendment of the agreement effective December 31, 2011, will end on December 31, 2023. Prior to this recent amendment, the agreement had provided for an annual salary of \$600,000, with a 7% increase of base salary on a compound basis in each of the third, fifth, seventh and ninth years of the agreement. The agreement had also provided for an annual cash bonus in an amount equal to at least 2% of the Company's EBITDA (the "Annual Bonus") and an annual cash bonus in relation to "new business" (as defined in the agreement) in an amount equal to at least (i) 2.5% of new business gross direct revenues plus (ii) 10% of all license or other fee income above \$2,000,000 (the "New Business Bonus"). The agreement, as amended, increases Mr. Madden's annual base salary but eliminates the Annual Bonus and the New Business Bonus and provides that all cash bonuses subsequent to the fiscal year ended December 31, 2011 will be at the sole discretion of the Company's Board of Directors. Under the agreement, as amended, Mr. Madden's annual base salary was fixed at \$5,416,667 in 2012, \$7,416,667 in 2013, \$9,666,667 in 2014, \$11,916,667 in 2015 and \$10,697,917 in 2016 and in each year thereafter through the end of the term of employment. In addition, the amended agreement entitles Mr. Madden to an annual life insurance premium reimbursement of up to \$200,000. The amendment also eliminates an annual non-accountable expense allowance of \$200,000 that had been previously provided to Mr. Madden under the agreement. Pursuant to the amended agreement, on February 8, 2012, Mr. Madden was granted 1,463,056 restricted shares of Common Stock (the number of shares indicated having been adjusted for an October 1, 2013 three-for-two stock split effected as a stock dividend), valued at approximately \$40 million, under the 2006 Plan. The restricted Common Stock will vest in equal annual installments over seven years commencing on December 31, 2017 through December 31, 2023, subject to Mr. Madden's continued employment with the Company on each such vesting date.

On June 30, 2012, pursuant to an election right granted to him under the agreement, as amended, Mr. Madden notified the Company of his election to receive an additional restricted stock award valued at \$40 million in consideration of a reduction in his annual base salary in years subsequent to 2012. Accordingly, on July 3, 2012, Mr. Madden was issued 1,893,342 restricted shares of Common Stock (the number of shares indicated having been adjusted for an October 1, 2013 three-for-two stock split effected as a stock dividend) under the 2006 Plan. The restricted Common Stock will vest in equal annual installments over six years commencing on December 31, 2018 through December 31, 2023, subject to Mr. Madden's continued employment with the Company on each such vesting date. As a result of his election to receive an additional restricted stock award, Mr. Madden's annual base salary for years subsequent to 2012 has been reduced as follows: \$4,000,000 in 2013, \$6,125,000 in 2014, \$8,250,000 in 2015 and \$7,026,042 in 2016 and in each year thereafter through the end of the term of employment.

Mr. Madden is also eligible to receive annually, on or about the date of the Company's annual meeting of stockholders (but not later than June 30<sup>th</sup>), an option grant (the "Annual Option") to purchase a number of shares of Common Stock, with such number to be equal to the greater of (a) 100% of the largest aggregate number of shares of Common Stock available upon the exercise of an option or options granted to any other continuing full-time employee of the Company during the preceding twelve-month period and (b) 100,000 shares of Common Stock; provided, however, that a grant to Mr. Madden in excess of 150% of the number of shares of Common Stock subject to options granted to such other continuing full-time employee would require stockholder approval. Any Annual Option granted to Mr. Madden would vest quarterly over a one-year period following the grant date and would be exercisable at a price equal to the closing price of the Company's Common Stock on the grant date for a period of five years following the

grant date. In addition to the Annual Option, the agreement, as amended, provides for a potential additional one-time stock option grant to purchase 750,000 shares of the Company's Common Stock (the number of shares subject to this potential stock option award having been adjusted for an October 1, 2013 three-for-two stock split effected as a stock dividend) in the event that the Company achieves earnings per share, on a fully-diluted basis, equal to \$3.00 in any fiscal year ending December 31, 2015 or after. If granted, the option would vest in equal annual installments of 20% over a five-year period and be exercisable for a period of seven years at a price equal to the closing price of the Company's Common Stock on the date immediately preceding the grant date.



In the event of Mr. Madden's death, his employment agreement provides for the payment to Mr. Madden's estate of his base salary for the 12-month period immediately subsequent to the date of his death. Further, in the event that Mr. Madden's employment agreement is terminated due to Mr. Madden's total disability (as defined in the agreement), "for cause" (as defined in the agreement) or due to Mr. Madden's resignation, the Company is obligated to pay Mr. Madden the amount of compensation that is accrued and unpaid through the date of termination. In the event Mr. Madden's employment agreement is terminated for any reason (other than "for cause" or due to his death, total disability or resignation), the Company is obligated to pay Mr. Madden, in installments, the balance of his base salary that would have been paid by the Company under the agreement for the full term of the agreement. If, during the period commencing 120 days prior to a "change of control" (as defined in the employment agreement) transaction and ending on the first anniversary of a change of control transaction, Mr. Madden's employment is terminated by the Company other than for cause or by the resignation of Mr. Madden for "good reason" (as defined in the employment agreement), or if Mr. Madden resigns for good reason or without good reason within 30 days following a change of control transaction, all unvested options to purchase shares of Common Stock held by Mr. Madden will vest on the date of termination or resignation and Mr. Madden will be entitled to receive a lump sum cash payment equal to the amount of compensation that is accrued and unpaid through the date of termination plus \$35 million. Mr. Madden's employment agreement contains other customary provisions, including provisions regarding expense reimbursement, confidentiality, solicitation and competition.

For the 2014 Fiscal Year, Mr. Madden earned \$6,125,000 in base salary and received \$200,000 for the payment of an annual life insurance premium. Mr. Madden opted to waive his right to the Annual Option for the 2014 Fiscal Year.

*Loan to Steven Madden.* On June 25, 2007, the Company made a loan to Steven Madden, its Creative and Design Chief and a principal stockholder of the Company, in the amount of \$3,000,000, in order for Mr. Madden to satisfy a personal tax obligation resulting from the exercise of a stock option which was due to expire and to hold the underlying shares of Common Stock. Mr. Madden executed a promissory note in favor of the Company, which is secured by a pledge of 472,500 shares of the Company's Common Stock beneficially owned by Mr. Madden (the number of shares indicated having been adjusted for an October 1, 2013 three-for-two stock split effected as a stock dividend). There have been successive amendments to the note, the most recent of which occurred on January 3, 2012, at which time the note was amended and restated to extend the maturity date of the obligation to December 31, 2023 and eliminate the accrual of interest after December 31, 2011. Prior to the most recent amendment, the note had been accruing interest at the rate of 6% per annum. In addition, the amended and restated note provides that, commencing on December 31, 2014 and annually on each December 31 thereafter through the maturity date, one-tenth of the principal amount thereof, together with accrued interest, will be cancelled by the Company provided that Mr. Madden continues to be employed by the Company on each such December 31. Contemporaneously, the Company will release a number of pledged shares of Common Stock from the pledge generally correlating to the amount of indebtedness cancelled on such date. As of December 31, 2011, interest in the amount of \$1,090,000 had accrued on the principal amount of the note and, as noted above, interest was eliminated after December 31, 2011. On December 31, 2014, the required one-tenth of the principal amount of the note, together with accrued interest, was written-off by the Company.

Steven Madden is the brother of John L. Madden, who has been a director of the Company since 1993.

#### Review, Approval or Ratification of Transactions with Related Persons

The Company's written Conduct Code and Employee Handbook prohibit all conflicts of interest. Under the Conduct Code, conflicts of interest occur when private or family interests interfere in any way, or even appear to interfere, with the interests of the Company. The Company's prohibition on conflicts of interest under the Conduct Code includes any related person transaction.

Related person transactions must be approved by the Board, or by a committee of the Board consisting solely of independent directors, who will approve the transaction only if they determine that it is in the best interests of the Company. In considering the transaction, the Board or committee will consider all relevant factors, including, as applicable, (i) the Company's business rationale for entering into the transaction; (ii) the alternatives to entering into a related person transaction; (iii) whether the transaction is on terms comparable to those available to third parties or, in the case of employment relationships, to employees generally; (iv) the potential for the transaction to lead to an actual or apparent conflict of interest and any safeguards imposed to prevent such actual or apparent conflicts; and (v) the overall fairness of the transaction to the Company.

The Company has multiple processes for reporting conflicts of interests, including related person transactions. Under the Conduct Code, all employees are required to report any actual or apparent conflict of interest, or potential conflict of interest, to management. The Chief Financial Officer distributes a questionnaire to the Company's executive officers and management personnel on a quarterly basis and distributes a questionnaire to the members of the Board of Directors on an annual basis requesting certain information regarding, among other things, their immediate family members, employment and beneficial ownership interests, which information is then reviewed for any conflicts of interest under the Conduct Code.

The Board of Directors, the Audit Committee and the Disclosure Committee, which is comprised of management personnel, discuss the related party transactions, specifically, and in connection with the regular review processes attendant to the Company's periodic filings, including related party transaction disclosures.

If a director is a party to or in some manner involved in a transaction involving the Company, he or she will be recused from all discussions and decisions about the transaction. The transaction must be approved in advance whenever practicable, and if not practicable, must be ratified as promptly as practicable.

#### COMPENSATION OF DIRECTORS IN THE 2014 FISCAL YEAR

The Compensation Committee is responsible for establishing and overseeing all matters pertaining to compensation paid to directors for service on the Board and its committees.

The following table sets forth information concerning the compensation of the Company's non-employee directors in the 2014 Fiscal Year. Following the table is a discussion of material factors related to the information disclosed in the table.

Name	Fees			Total (\$)
	Earned or Paid in Cash (\$)	Stock Awards (\$)(1)	All Other Compensation (\$)	
Rose Peabody Lynch	62,292	100,012(2)	0	162,304
John L. Madden	0	0	(3) 1,308,376	(4) 1,308,376
Peter Migliorini	112,500	100,012(5)	0	212,512
Richard P. Randall	112,500	100,012(6)	0	212,512
Ravi Sachdev	87,500	100,012(7)	0	187,512
Thomas H. Schwartz	85,000	100,012(8)	0	185,012

Robert Smith	62,292	100,012(9)	0	162,304
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(1) Reflects the grant date fair value of stock awards calculated in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 718. Assumptions used in the calculation of these amounts are included in Note I to the Company’s audited financial statements for the fiscal year ended December 31, 2014 included in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2015.

(2) At December 31, 2014, the aggregate number of shares of restricted Common Stock held by Ms. Lynch was 3,147, and Ms. Lynch had no options outstanding.

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(3) At December 31, 2014, the aggregate number of shares of restricted Common Stock held by JLM Consultants, Inc., a corporation wholly-owned by Mr. Madden, was 30,012, and Mr. Madden had no options outstanding.

(4) Includes: (a) the use of a corporate apartment valued at \$68,001 and (b) \$1,240,375 in fees, travel and health insurance premium allowance paid to JLM Consultants, Inc., a company wholly-owned by Mr. John Madden, as consideration for consulting services provided by JLM Consultants, Inc. with respect to the development of the Company's international business.

(5) At December 31, 2014, the aggregate number of shares of restricted Common Stock held by Mr. Migliorini was 3,147, and Mr. Migliorini had no options outstanding.

(6) At December 31, 2014, the aggregate number of shares of restricted Common Stock held by Mr. Randall was 3,147, and Mr. Randall had no options outstanding.

(7) At December 31, 2014, the aggregate number of shares of restricted Common Stock held by Mr. Sachdev was 3,147, and Mr. Sachdev had no options outstanding.

(8) At December 31, 2014, the aggregate number of shares of restricted Common Stock held by Mr. Schwartz was 3,147, and Mr. Schwartz had no options outstanding.

(9) At December 31, 2014, the aggregate number of shares of restricted Common Stock held by Mr. Smith was 3,147, and Mr. Smith had no options outstanding.

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Directors who are also employees of the Company are not paid any fees or other remuneration for service on the Board of Directors or any of its committees. In the 2014 Fiscal Year, each non-employee director, other than John L. Madden, received the following compensation: (i) a grant of 3,147 shares of restricted Common Stock, vesting on the first anniversary of the grant date, June 12, 2015 and (ii) \$75,000. John L. Madden, who is a non-independent, non-employee director as a result of his ownership of JLM Consultants, Inc., a provider of consulting services to the Company with respect to international sales, is not paid a fee for his service on the Board of Directors.

In the 2014 Fiscal Year, members of the Audit Committee, Nominating/Corporate Governance Committee and Compensation Committee each received an additional \$10,000 for serving on such committees, except that the Chairman of the Audit Committee and the Chairman of the Compensation Committee received \$25,000 instead of \$10,000. In addition, in the 2014 Fiscal Year, each of Messrs. Sachdev, Migliorini and Randall received \$2,500 for serving on a special committee formed by the Board to investigate a claim against the Company. The Company reimburses its directors for any out-of-pocket expenses incurred by them in connection with services provided in such capacity.

## STOCK OWNERSHIP

### Security Ownership of Certain Beneficial Owners

The following table sets forth information as of the Record Date (unless otherwise indicated) with respect to the beneficial ownership of the Common Stock of the Company by each person known by the Company to be the

beneficial owner of more than 5% of the outstanding shares of the Common Stock of the Company. A person is deemed to be a beneficial owner of any securities which that person has the right to acquire within 60 days.

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Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percentage of Class	
Steven Madden			
c/o Steven Madden, Ltd.	6,188,138	9.73	%(2)
52-16 Barnett Avenue			
Long Island City, NY 11104			
BOCAP Corp.			
c/o Steven Madden, Ltd.	1,658,062	2.61	%(3)
52-16 Barnett Avenue			
Long Island City, NY 11104			
BlackRock Inc.			
55 East 52 <sup>nd</sup> Street	4,951,219	7.79	%(4)
New York, NY 10022			
The Vanguard Group			
100 Vanguard Boulevard	4,144,952	6.52	%(5)
Malvern, Pennsylvania 19355			
FMR LLC			
245 Summer Street	3,467,614	5.45	%(6)
Boston, Massachusetts 02210			
Eagle Asset Management, Inc.			
880 Carillon Parkway	2,310,931	3.63	%(7)
St. Petersburg, Florida 33716			

(1) Beneficial ownership as reported in the table below has been determined in accordance with Item 403 of Regulation S-K and Rule 13d-3 of the Exchange Act and based upon 63,601,164 shares of Common Stock outstanding (excluding treasury shares) as of the Record Date.

(2) Mr. Madden's beneficial ownership includes: (i) 1,658,062 shares of Common Stock held by BOCAP Corp, a corporation wholly-owned by Mr. Madden; (ii) 3,356,398 shares of restricted Common Stock granted under the 2006 Plan (which restricted stock includes 1,463,056 shares which will vest in equal annual installments over seven years commencing on December 31, 2017 through December 31, 2023 and 1,893,342 shares which will vest in equal annual installments over six years commencing on December 31, 2018 through December 31, 2023, in each case subject to forfeiture pursuant to the terms of the 2006 Plan and of Mr. Madden's employment agreement); and (iii) 1,173,678 shares of Common Stock held by Mr. Madden directly. Mr. Madden has pledged to the Company 472,500 shares of Common Stock beneficially owned by him to secure the repayment of a loan made by the Company to Mr. Madden, which loan is discussed in the section of this Proxy Statement captioned "Certain Relationships and Related Party Transactions." Excluded are 341,215 shares of Common Stock beneficially owned by the Steven H. Madden 2012 Trust, an irrevocable trust established by Mr. Madden for the benefit of his descendants, the trustee of which is unrelated to Mr. Madden and as to which Mr. Madden does not, directly or indirectly, have or share voting or investment power; Mr. Madden disclaims beneficial ownership of the shares of Common Stock beneficially owned by this trust.

(3) BOCAP Corp is a corporation wholly-owned by Steven Madden.

(4) Based solely on a Statement on Schedule 13G filed with the SEC on January 26, 2015 by BlackRock, Inc. ("BlackRock"), BlackRock has sole voting power with respect to 4,823,088 of such shares and sole dispositive power with respect to all such shares.

(5) Based solely on a Statement on Schedule 13G filed with the SEC on February 11, 2015 by The Vanguard Group ("Vanguard"), Vanguard has sole voting power with respect to 77,993 of such shares, sole dispositive power with respect to 4,072,009 of such shares and shared dispositive power with respect to 72,943 of such shares.

(6) Based solely on a Statement on Schedule 13G filed with the SEC on February 13, 2015 by FMR LLC ("FMR"), FMR has sole voting power with respect to 822,484 of such shares and sole dispositive power with respect to all such shares.

(7) Based solely on a Statement on Schedule 13G filed with the SEC on January 14, 2015 by Eagle Asset Management, Inc. ("Eagle"), Eagle has sole voting and dispositive power with respect to all such shares.

## Security Ownership of Directors and Executive Officers

The following table sets forth information as of the Record Date (unless otherwise indicated) with respect to the beneficial ownership of Common Stock held by (a) each current director and nominee; (b) the Chief Executive Officer, the Chief Financial Officer and the three most highly compensated executive officers of the Company other than the Chief Executive Officer and the Chief Financial Officer (the "Named Executive Officers"); and (c) all current directors and executive officers as a group. A person is deemed to be a beneficial owner of any securities which that person has the right to acquire within 60 days. Each director and executive officer has sole voting power and sole dispositive power with respect to all shares beneficially owned by him or her.

Name of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership (2)	Percentage of Class	
Edward R. Rosenfeld	621,955	*%	(3)
Arvind Dharia	148,585	*%	(4)
Awadhesh Sinha	69,142	*%	(5)
Robert Schmertz			