

STEVEN MADDEN, LTD.
Form DEF 14A
April 10, 2014

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.

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

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

LETTER TO THE SHAREHOLDERS

Dear ShareholderS,

2013 was another successful year for Steve Madden, as we delivered solid sales and earnings growth in a challenging environment. Consolidated net sales increased 7% to \$1.3 billion, and net income rose 10% to \$132 million, or \$1.98 per diluted share.

These results, achieved despite soft retail traffic throughout the industry and fewer new fashion footwear trends on which to capitalize, demonstrate the strength of our business model and the benefits of our diversification by distribution channel and geography.

In 2013, we SuccesseSSfully:

Grew our core buSineSS

Our first priority in 2013, as always, was to continue to expand the Steve Madden brand's market leadership position in fashion-forward footwear. This year, Steve and his team once again produced a trend-right merchandise assortment that enabled us to gain market share in our core Steve Madden Women's wholesale footwear business. Our diffusion brand, Madden Girl, also recorded solid growth, rebounding after a decline in 2012. Importantly, both brands accelerated in the back half of the year, providing us with strong momentum heading into 2014.

enhanceD our men'S offerInG

During the year, we set out to better differentiate our higher-priced Steve Madden Men's line from our more moderately priced Madden line by elevating the Steve Madden collection in terms of quality and styling

and targeting the Madden line at a younger, more casual consumer. The new strategy, rolled out for Fall 2013, received an outstanding response from both wholesale customers and the end consumer, driving a 15% increase in our men's wholesale footwear net sales in the second half of the year.

Grew our prIvate label footwear buSineSS

Over the last several years, we have leveraged our product development and sourcing capabilities into a substantial business producing private label footwear for various retailers, primarily value-priced chains. In 2013, we delivered strong double-digit percentage growth in this business, bringing private label footwear annual net sales to over \$300 million for the first time.

expanDeD our International buSineSS

We made significant progress on one of our most important long-term initiatives which is to expand our business outside of the United States. Our business in Canada, which we acquired from our former distributor in February 2012 and is currently our only owned international operation, increased 30% over the prior year. Additionally, we recorded robust gains with our distribution partners in Europe, the Middle East and Asia. Overall, our international net sales in 2013 increased 20% to \$113 million, or approximately 9% of consolidated net sales.

contInueD to roll out outlet StoreS

We opened six Steve Madden outlet stores in 2013, bringing our total at the end of the year to 17 outlet locations. We continue to be pleased with the consumer response to our outlet concept and the financial results we are seeing in that division. As we look ahead, we plan to accelerate the unit growth in outlets, with 10-12 expected outlet openings in 2014.

contInueD to Grow our hanDBaG buSineSS

We also continued to extend our reach in the handbag category. We delivered strong double-digit percentage sales increases in both Steven Madden and Betsey Johnson handbags, gains that came on top of explosive growth in each of those divisions in 2012. We also introduced Madden Girl handbags, a line of trendy junior bags with an emphasis on fashion backpacks. Madden Girl handbags are off to a great start, and further expansion of the Madden Girl handbag collection is an important initiative for 2014.

expanDeD our newer branDS

We made important advances on another of our significant long-term growth opportunities, which is to develop our newer brands. Mad Love had an outstanding first year as an exclusive brand at Target. Freebird by Steven, our boot line manufactured exclusively in Mexico, recorded substantial sales gains with key customers including Free People, Bloomingdales and Nordstrom. Finally, Superga, our licensed fashion

sneaker brand, continued its robust sales growth and strong sell-through at retail.

We owe our success to the hard work and commitment of all of the associates at Steve Madden and, therefore, we would like to thank our employees for their dedication. We also thank our customers for their loyalty and you, our shareholders, for your continued support.

RETURNED CAPITAL TO SHAREHOLDERS

As part of our ongoing efforts to maximize shareholder value, we returned \$102 million to shareholders under our share repurchase plan. We ended the year with a strong balance sheet, including \$292 million in cash, cash equivalents and marketable securities and no debt.

Sincerely,

EDWARD ROSENFELD
CHIEF EXECUTIVE OFFICER

In conclusion, 2013 was another strong year for Steve Madden. We delivered solid financial results and made significant progress on our growth initiatives. As we look ahead, we believe our diversified platform and proven business model provide us with many opportunities to expand the business across our various brands, distribution channels, product categories and geographies.

AWADHESH SINHA
CHIEF OPERATING OFFICER

ARVIND DHARIA
CHIEF FINANCIAL OFFICER

STEVEN MADDEN, LTD.

52-16 Barnett Avenue

Long Island City, New York 11104

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 23, 2014

TO THE STOCKHOLDERS OF STEVEN MADDEN, LTD.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the “Annual Meeting”) of Steven Madden, Ltd. (the “Company”) will be held on May 23, 2014, 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 directors to the Board of Directors of the Company to serve until the next annual meeting of the Company’s
- 1. stockholders and until their successors are duly elected and qualified or until their earlier death, resignation or removal from office;
- 2. to ratify the appointment of EisnerAmper LLP as the Company’s independent registered public accounting firm for the

fiscal year
ending
December 31,
2014;
to approve, on
a non-binding
advisory basis,
the
compensation
of certain
3. 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 4, 2014 are entitled to notice of and to vote at the Annual Meeting and any adjournments thereof. A complete list of stockholders entitled to vote at the Annual Meeting will be available for ten days prior to the Annual Meeting for purposes germane to the Annual Meeting, between the hours of 9:00 a.m. and 4:30 p.m., local time, at the Company's principal executive offices at 52-16 Barnett Avenue, Long Island City, New York 11104, by contacting the Secretary of the Company, and will be available at the Annual Meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 23, 2014: 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 10, 2014
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

On behalf of the Board of Directors of Steven Madden, Ltd., a Delaware corporation (the “Company”, “we” or “us”), we are requesting your proxy in connection with the Annual Meeting of Stockholders (the “Annual Meeting”) scheduled to be held at the Company’s showroom located at 1370 Avenue of the Americas, 14th Floor, New York, New York on Friday, May 23, 2014 at 10:00 a.m., local time. On or about April 10, 2014, 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 4, 2014 (the “Record Date”). The Company’s Annual Report for the fiscal year ended December 31, 2013 (“2013 Fiscal Year”), including audited financial statements, is included in the materials that are accessible online to our stockholders. 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 directors to the Board of Directors of the Company to serve until the next annual meeting of the Company’s stockholders and until their successors are duly elected and qualified or until their earlier death, resignation or removal from office;
 - to ratify the appointment of EisnerAmper LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2014;
 - 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 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 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 this Proxy Statement and our Annual Report while lowering the costs and reducing the environmental impact associated with our Annual Meeting. On or about April 10, 2014, we will furnish a Notice of Internet Availability of Proxy Material (the “Availability Notice”) to most of our stockholders containing instructions on how to access the proxy materials and to vote online. In addition, our instructions on how to request a printed copy of these materials will be found on the Availability Notice. For more information on voting your Common Stock, please see the “Questions and Answers” section below. 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.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

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 as of the close of business on the Record Date. On the Record Date, there were 66,563,809 shares of our Common Stock outstanding (excluding treasury shares) held by approximately 116 registered holders of record and 16,303 beneficial owners.

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 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 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.

What is a “broker non-vote”?

If your shares are held in “street name” by a broker, bank or nominee, your broker, bank or nominee is the record holder; however, the broker, bank or nominee is required to vote the shares in accordance with your instructions. If you do not give instructions to your broker, bank or nominee, as the case may be, the broker, bank or 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 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.**

How many votes do I have?

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.

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 resignation 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, 2014.

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 an 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.

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	VOTE BY PHONE	VOTE BY MAIL
http://www.proxyvote.com	1-800-690-6903	Vote Processing, c/o Broadridge 51 Mercedes Way Edgewood, New York 11717
Use the Internet to transmit your voting instructions and for electronic delivery of information.	Use any touch-tone telephone to transmit your voting instructions.	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.

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);

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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.

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;
“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, 2014; 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 OR NOMINEE
AND FAIL TO PROVIDE SPECIFIC VOTING INSTRUCTIONS TO THAT BROKER OR NOMINEE, YOUR
SHARES WILL NOT BE VOTED IN THE ELECTION OF DIRECTORS AND THE ADVISORY VOTE ON
EXECUTIVE COMPENSATION.

Who will bear the expenses of this solicitation?

The expense of this solicitation, including preparing, printing and mailing this Proxy Statement, the exhibits hereto
and the proxies solicited hereby, will be borne by the Company. In addition to the use of the mails, proxies may be
solicited by officers and directors and employees of the Company, without additional remuneration, by personal
interviews, telephone, telegraph or facsimile 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 Phoenix Advisory Partners 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.

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, which will be filed with the SEC within four business days
following the Annual Meeting.

STOCKHOLDER NOMINATIONS FOR BOARD MEMBERSHIP, PROPOSALS AND SUBMISSIONS FOR THE COMPANY'S 2015 ANNUAL MEETING

In accordance with Article II, Section 5 of the Company's By-Laws, director nominations for the 2015 Annual Meeting of Stockholders of the Company (the "2015 Annual Meeting") can only be made by a stockholder of the Company who (A) 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 such meeting, and (B) complies with the notice requirements and procedures set forth in Article II, Section 5 of the Company's Amended and Restated By-Laws (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 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 2014 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 2015 Annual Meeting must be received no later than January 24, 2015 and no earlier than December 25, 2014.

In accordance with rules promulgated by the SEC, any stockholder who wishes to submit a proposal for inclusion in the proxy material to be distributed by the Company in connection with the 2015 Annual Meeting must do so no later than December 9, 2014. In addition, in accordance with Article I, Section 7(f) of the Company's By-Laws, in order to be properly brought before the 2015 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 2014 Annual Meeting. Accordingly, any written notice given by or on behalf of a stockholder pursuant to the foregoing clause (iii) in connection with the 2015 Annual Meeting must be received no later than January 24, 2015 and no earlier than December 25, 2014. In addition, for business to be properly brought before the 2015 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.

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 six directors. The expansion of the Board from six to eight members will become effective as of April 28, 2014 when Rose Peabody Lynch and Robert Smith will join the Board of Directors. All directors' terms on the Board will expire at the Annual Meeting. Directors serve a one-year term.

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, other than Ms. Lynch and Mr. Smith, who were appointed to the Board of Directors in February 2014 and April 2014, respectively, to fill newly-created directorships resulting from the increases in the number of directors constituting the Board from six members to eight members. The appointment of Ms. Lynch and Mr. Smith to the Board of Directors is effective as of April 28, 2014. All nominees have consented to being named in this Proxy Statement and to serving on the Board of Directors if elected.

Biographical Summaries of Nominees for the Board of Directors

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 includes members who are well-qualified to serve on the Board and its committees and to represent 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.

Edward R. Rosenfeld - Chairman of the Board and Chief Executive Officer, Steven Madden, Ltd.

Edward R. Rosenfeld, 38, has served as a director of the Company since February 2008 and has served on the Company's Investment Committee since April 2008. Mr. Rosenfeld has been Chairman of the Board and Chief Executive Officer since August 2008 after serving as interim Chief Executive Officer of the Company from March 24, 2008 and prior to that, serving as the Executive Vice President of Strategic Planning and Finance of the Company. Mr. Rosenfeld has been a member of the executive management team since joining the Company in May 2005. Prior to joining the Company, Mr. Rosenfeld was 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. 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.

Mr. Rosenfeld has more than 16 years of experience focused on the retail, apparel and footwear industries, nine of which have been with the Company, 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 in investment banking provide the Board and the Investment Committee 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.

Rose Peabody Lynch – *Owner of Marketing Strategies, LLC.*

Rose Peabody Lynch, 64, was appointed to serve as a director effective April 28, 2014. No committee appointments for Ms. Lynch have yet been made. Since 1997, Ms. Lynch has operated Marketing Strategies, LLC, a 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. Prior to forming Marketing Strategies, LLC, Ms. Lynch held the position of Vice President, General Merchandise Manager of the Bath and Fragrance division of Victoria's Secret from 1993 through 1996 and held the position of President of U.S. Operations of Trowbridge Gallery, a supplier of fine art to the interior design trade, from 1989 through 1992. Prior to 1989, Ms. Lynch was President of Danskin, Inc., a leading manufacturer of women's dance and active wear, from 1986 through 1989 and, prior to that, she held the position of Director of Marketing successively with Elizabeth Arden, Inc. and Charles of the Ritz Group, Inc. 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. 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. Ms. Lynch is also a member of the Women and Foreign Policy Advisory Council at the Council on Foreign Relations.

Ms. Lynch 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 enhances the Board's leadership and oversight capabilities.

John L. Madden - *Owner of JLM Consultants, Inc.*

John L. Madden, 67, has served as a director of the Company since 1993 and has served on the Company's Investment Committee, as its Chair, since April 2008. Since June 2004, Mr. Madden's business consulting company, JLM Consultants, Inc., has provided consulting services to the Company with respect to international sales. From April 1998 through September 2003, Mr. Madden owned a branch office of Tradeway Securities Group, Inc., a brokerage firm, in Florida. From May 1996 through December 1996, Mr. Madden's consulting company, JLM Consultants, Inc., acted as a branch office of Merit Capital, Inc., a brokerage firm. From May 1994 to May 1996, Mr. Madden served as Vice President of Investments for GKN Securities, Inc., a brokerage firm. From August 1993 to April 1994, Mr. Madden was employed by Biltmore Securities, Inc., a brokerage firm, as Managing Director and registered sales representative. 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.”

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 and the Investment Committee with greater insight and guidance. Mr. Madden’s 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 over twenty years of service on the Company’s Board of Directors. 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.

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Peter Migliorini - Sales Manager, Greschlers, Inc.

Peter Migliorini, 65, 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 has been Sales Manager for Greschlers, Inc., a building supplies company, since 1994. From 1987 to 1994, Mr. Migliorini served as Director of Operations for Mackroyce Group, a construction company. Prior to 1987, 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.

Mr. Migliorini possesses extensive executive level financial, sales and operations experience. 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 - Retired Executive Vice President and Chief Financial Officer, Direct Holdings Worldwide, LLC.

Richard P. Randall, 76, 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, on the Nominating/Corporate Governance Committee since September 2008 and on the Investment Committee since April 2008. Mr. Randall was the Executive Vice President and Chief Financial Officer of 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, from 2002 until his retirement in June 2005. Prior to 2002, Mr. Randall served as Senior Vice President and Chief Financial Officer of Coach, Inc., a luxury leather goods company, and Chief Operating Officer and Chief Financial Officer of Lillian Vernon Corp. from 2000 to 2001 and 1998 to 2000, respectively. Currently, Mr. Randall serves as a director and chairs the Audit and Risk Committee of Aceto Corporation, a generic pharmaceutical, nutraceutical and chemical distribution company. Mr. Randall also serves on the board of directors and is a 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, as well as residential hardware. 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.

With 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, 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 committees of other companies has allowed him to gain broad-based experience and sensitivity regarding best practices, which he shares with the Board.

Ravi Sachdev - Managing Director, J.P. Morgan.

Ravi Sachdev, 37, has served as a director of the Company since September 2008 and has served on the Company's Audit Committee since September 2008. Mr. Sachdev joined J.P. Morgan, a global investment bank, as a Managing Director in November 2010, and focuses on the healthcare services subsector. Previously, Mr. Sachdev was a Managing Director at Deutsche Bank Securities, Inc. ("Deutsche Bank") from January 2009 and prior to that held the

position of Director at Deutsche Bank from January 2007 until January 2009. Mr. Sachdev joined Deutsche Bank in 2006 as a Vice President. Prior to joining Deutsche Bank, Mr. Sachdev was 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 16 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 which our Company has undertaken over the last few years.

Thomas H. Schwartz - Owner, Sumner and Forge Investors LLC.

Thomas H. Schwartz, 66, has served as a director of the Company since May 2004 and has served on the Company's Compensation Committee since July 2004. Since March 2007, Mr. Schwartz has been the Chief Executive Officer and sole owner of Sumner and Forge Investors LLC, a company that invests in real estate and manages properties in which it holds ownership interests. Previously, Mr. Schwartz was a Managing Director of Helmsley-Spear, Inc., a real estate brokerage and management company, from 1984 to March 2007.

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 – Chief Merchandising Officer, Haddad Brands.

Robert Smith, 48, was recently appointed to serve as a director effective April 28, 2014. No committee appointments for Mr. Smith have yet been made. Since 2013, Mr. Smith has been Chief Merchandising Officer for Haddad Brands, a global children's apparel and accessories licensing partner for iconic American brands such as Levi's, Hurley, Nike, Jordan and Converse. Prior to 2013, from 2010 to 2012, Mr. Smith held the position of Executive Vice President, Merchandising for Limited Brands, 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. Prior to 1998, Mr. Smith was a Merchandiser for XOXO Apparel Company and, from 1990 through 1996, Mr. Smith 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 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 under the caption "Corporate Governance-Director – Election (Majority Voting) Policy" 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.

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 of 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 above, our Board is currently comprised of four independent and two non-independent directors. As part of the Company’s corporate governance planning and upon the recommendation of the Nominating/Corporate Governance Committee, the Board recently voted to expand the size of the Board from six members to eight members. The expansion of the Board from six to eight members will become effective as of April 28, 2014 when Rose Peabody Lynch and Robert Smith will join the Board of Directors as independent directors.

Director Independence

The Board of Directors is currently comprised of six members and, effective April 28, 2014, will expand to eight members, when Rose Peabody Lynch and Robert Smith join the Board as independent directors.

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 2013 annual meeting of stockholders.

Attendance at Meetings of the Board of Directors

The Board of Directors held four regularly scheduled and three special meetings during the 2013 Fiscal Year, one of which was not attended by Mr. Schwartz and Mr. Madden, and acted by unanimous written consent on three occasions during the 2013 Fiscal Year. In 2013, 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 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 and Director Election (Majority Voting) Policy.

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/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

The Board of Directors, among other committees, has a standing Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee.

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Audit Committee

The members of the Audit Committee are Messrs. Randall (Chairman), Migliorini and Sachdev. 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 Mr. Randall meets the SEC criteria of an “audit committee financial expert” and he is currently serving as such. 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. During the 2013 Fiscal Year, the Audit Committee met five times.

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, our internal audit function and an independent registered public accounting firm. 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 also 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 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.

Nominating/Corporate Governance Committee

The members of the Nominating/Corporate Governance Committee are Messrs. Migliorini (Chairman) and Randall. 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 acted by unanimous written consent on one occasion during the 2013 Fiscal Year.

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 2015 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 (x) comply with the director nomination provisions of the Company's By-Laws, (y) meet and evidence the minimum eligibility requirements specified in Exchange Act Rule 14a-8, and (z) 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, 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 Charter is available on the Company's website at www.stevemadden.com.

Compensation Committee

The members of the Compensation Committee are Messrs. Migliorini (Chairman) and Schwartz. 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 met three times during the 2013 Fiscal Year and acted by unanimous written consent on two occasions during the 2013 Fiscal Year.

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.

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 four independent and two non-independent directors and, commencing on April 28, 2014, will be expanded and consist of five independent directors 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.

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.

Code of Business Conduct and Ethics

All of the Company's employees, officers (including senior executive, financial and accounting officers) and directors are held accountable for adherence to the Company's Code of Business Conduct and Ethics (the "Conduct Code"). 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. A copy of the Conduct Code is available on the Company's website at 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.

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., which replaced a prior consulting agreement, and continues in effect until December 31, 2014. In accordance with the terms of the JLM Consulting Agreement, for the 2013 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) \$4,576.08 per month reimbursement for health insurance premiums for John L. Madden. Pursuant to this arrangement, JLM Consultants, Inc. received a total of \$1,310,349 from the Company in the 2013 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 (the number of shares indicated having been adjusted for an October 1, 2013 three-for-two stock split effected as a stock dividend) 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 30th), 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. Mr. Madden opted to waive his right to the Annual Option in 2013. 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 2013 Fiscal Year, Mr. Madden earned \$4,000,000 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 2013 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.

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 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 2013 FISCAL YEAR

The following table sets forth information concerning the compensation of the Company's non-employee directors in the 2013 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 (\$)	
John L. Madden	0	1,999,773 (2)	1,376,997 (3)	3,376,770
Peter Migliorini	110,000	100,012 (4)	0	210,012
Richard P. Randall	110,000	100,012 (5)	0	210,012
Ravi Sachdev	85,000	100,012 (6)	0	185,012
Thomas H. Schwartz	85,000	100,012 (7)	0	185,012

(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, 2013 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 27, 2014.

(2) At December 31, 2013, the aggregate number of shares of restricted Common Stock held by JLM Consultants, Inc., a corporation wholly-owned by Mr. Madden, was 54,012, and Mr. Madden had no options outstanding.

(3) Includes: (a) the use of a corporate apartment valued at \$66,648 and (b) \$1,310,349 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.

(4) At December 31, 2013, the aggregate number of shares of restricted Common Stock held was 3,147, and Mr. Migliorini had no options outstanding.

(5) At December 31, 2013, the aggregate number of shares of restricted Common Stock held was 3,147, and Mr. Randall had no options outstanding.

(6) At December 31, 2013, the aggregate number of shares of restricted Common Stock held was 3,147, and Mr. Sachdev had no options outstanding.

(7) At December 31, 2013, the aggregate number of shares of restricted Common Stock held was 3,147, and Mr. Schwartz had no options outstanding.

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 2013 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 (the number of shares indicated having been adjusted for an October 1, 2013 three-for-two stock split effected as a stock dividend), vesting on the first anniversary of the grant date, June 6, 2014 and (ii) \$75,000. John L. Madden, who is a non-independent 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 2013 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 received \$25,000 instead of \$10,000 and the Chairman of the Compensation Committee received \$15,000 instead of \$10,000. 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.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percentage of Class	
Steven Madden c/o Steven Madden, Ltd. 52-16 Barnett Avenue Long Island City, NY 11104	7,242,290	10.74	% (2)
BOCAP Corp. c/o Steven Madden, Ltd. 52-16 Barnett Avenue Long Island City, NY 11104	2,058,062	3.09	% (3)
FMR LLC	5,733,664	8.61	% (4)

82 Devonshire Street

Boston, Massachusetts 02109

BlackRock Inc.

40 East 52 nd Street	5,464,456	8.21	% (5)
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New York, NY 10022

The Vanguard Group

100 Vanguard Boulevard	4,111,249	6.18	% (6)
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Malvern, Pennsylvania 19355

Eagle Asset Management, Inc.

880 Carillon Parkway	3,898,540	5.86	% (7)
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St. Petersburg, Florida 33716

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(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 66,563,809 shares of Common Stock outstanding (excluding treasury shares) as of the Record Date.

(2) Mr. Madden's beneficial ownership includes: (i) 2,058,062 shares of Common Stock held by BOCAP Corp, a corporation wholly-owned by Mr. Madden; (ii) 881,253 shares of Common Stock that may be acquired through options that are exercisable as of, or will become exercisable within 60 days of, the Record Date; (iii) 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 (iv) 946,577 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 241,926 shares of Common Stock beneficially owned by two irrevocable trusts (collectively, the "2010 Trusts") established by Mr. Madden for the benefit of each of his two sons, 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. The 2010 Trusts were funded by shares distributed from the Steven H. Madden July 2010 Grantor Retained Annuity Trust, a grantor retained annuity trust (the "GRAT") by the trustee of the GRAT, who is unrelated to Mr. Madden, upon the expiration of the GRAT pursuant to its terms. Mr. Madden disclaims beneficial ownership of the shares of Common Stock beneficially owned by the 2010 Trusts. Also 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 February 14, 2014 by FMR LLC ("FMR"), FMR has sole voting power with respect to 673,309 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 January 30, 2014 by BlackRock, Inc. ("BlackRock"), BlackRock has sole voting power with respect to 5,289,719 of such shares and sole dispositive power with respect to all such shares.

(6) Based solely on a Statement on Schedule 13G filed with the SEC on February 12, 2014 by The Vanguard Group ("Vanguard"), Vanguard has sole voting power with respect to 84,963 of such shares, sole dispositive power with respect to 4,031,336 of such shares and shared dispositive power with respect to 79,913 of such shares.

(7) Based solely on a Statement on Schedule 13G filed with the SEC on January 28, 2014 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. As of the Record Date, the director nominees Rose Peabody Lynch and Robert Smith were not beneficial owners of any Common Stock.

Name of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership (2)	Percentage of Class
Edward R. Rosenfeld	712,077	1.06 % (3)
Arvind Dharia	164,104	* % (4)
Awadhesh Sinha	93,636	* % (5)
Robert Schmertz	335,497	* % (6)
Amelia Newton Varela	341,238	* % (7)
John L. Madden	60,012	* % (8)
Peter Migliorini	3,147	* % (9)
Richard P. Randall	27,334	* % (10)
Thomas H. Schwartz	11,247	* % (11)
Ravi Sachdev	25,084	* % (12)
All Directors and Executive Officers as a Group (10 persons named above)	1,773,376	2.64 % (13)

* Indicates beneficial ownership of less than 1%.

(1) The address for each of the named individuals below is c/o Steven Madden, Ltd., 52-16 Barnett Avenue, Long Island City, New York 11104.

(2) Beneficial ownership as reported in the table above has been determined in accordance with Item 403 of Regulation S-K and Rule 13d-3 of the Exchange Act and based upon 66,563,809 shares of Common Stock outstanding (excluding treasury shares) as of the Record Date.

(3) Mr. Rosenfeld's beneficial ownership includes: (i) 427,500 shares of Common Stock that may be acquired through the exercise of options that are exercisable as of, or will become exercisable within 60 days of, the Record Date; (ii) 229,265 shares of restricted Common Stock; and (iii) 55,312 shares of Common Stock held by Mr. Rosenfeld.

(4) Mr. Dharia's beneficial ownership includes: (i) 20,526 shares of restricted Common Stock; and (ii) 143,578 shares of Common Stock held by Mr. Dharia.

(5) Mr. Sinha's beneficial ownership includes: (i) 36,636 shares of restricted Common Stock; and (ii) 57,000 shares of Common Stock held by Mr. Sinha.

(6) Mr. Schmertz's beneficial ownership includes: (i) 48,466 shares of restricted Common Stock; and (ii) 287,031 shares of Common Stock held by Mr. Schmertz.

(7) Ms. Varela's beneficial ownership includes: (i) 293,911 shares of Common Stock that may be acquired through the exercise of options that are exercisable as of, or will become exercisable within 60 days of, the Record Date; (ii) 37,445 shares of restricted Common Stock; and (iii) 9,882 shares of Common Stock held by Ms. Varela.

(8) Mr. Madden's beneficial ownership includes: (i) 42,012 shares of restricted Common Stock held by JLM Consultants, Inc., a corporation wholly-owned by Mr. Madden; and (ii) 18,000 shares of Common Stock held by JLM Consultants, Inc.

(9) Mr. Migliorini's beneficial ownership consists of 3,147 shares of restricted Common Stock.

(10) Mr. Randall's beneficial ownership includes: (i) 3,147 shares of restricted Common Stock; and (ii) 24,187 shares of Common Stock held by Mr. Randall, all of which shares have been pledged by Mr. Randall as collateral security in a margin brokerage account.

(11) Mr. Schwartz's beneficial ownership includes: (i) 3,147 shares of restricted Common Stock; and (ii) 8,100 shares of Common Stock held by Mr. Schwartz.

(12) Mr. Sachdev's beneficial ownership includes: (i) 3,147 shares of restricted Common Stock; and (ii) 21,937 shares of Common Stock held by Mr. Sachdev.

(13) Includes, in the aggregate, 721,411 shares of Common Stock that may be acquired through the exercise of options that are exercisable as of, or will become exercisable within 60 days of, the Record Date; (ii) 426,938 shares of restricted Common Stock; and (iii) 625,027 shares of Common Stock held by such beneficial owners.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that the Company's directors and officers, and persons who beneficially own more than 10% of a registered class of the Company's equity securities, file with the SEC reports of initial ownership of Common Stock and subsequent changes in that ownership and furnish the Company with copies of all forms they file with the SEC pursuant to Section 16(a) of the Exchange Act. A late report was filed on January 8, 2013 to report a January 2, 2013 grant of 72,012 restricted shares of Common Stock (initially 48,008 shares, adjusted for a three-for-two stock split (effected as a stock dividend) that occurred on October 1, 2013) to JLM Consultants, Inc., a corporation wholly-owned by John L. Madden. A late report was filed on November 22, 2013 to report that on November 19, 2013 Robert Schmertz exercised an option to purchase 33,750 shares of Common Stock granted on October 8, 2009. To the Company's knowledge, based solely on a review of the copies of the reports furnished to the Company or written representations received from the Company's directors, officers and greater than 10% beneficial owners that no other reports were required, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with during, or in respect of, the 2013 Fiscal Year.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Objectives and Strategy

The Company's executive officer compensation program is designed to attract and retain the caliber of officers needed to ensure the Company's continued growth and profitability and to reward them for their performance, for the Company's performance and for creating longer-term value for our stockholders. The primary objectives of the program are to:

- align rewards with performance that creates stockholder value;
- support the Company's strong team orientation;
- encourage high-potential team players to build a career at the Company; and
- provide rewards that are cost-efficient, competitive with other similarly-positioned organizations and fair to employees and stockholders.

The Company's executive compensation programs are approved and administered by the Compensation Committee of the Board of Directors. Working with management and outside advisors, the Compensation Committee has developed a compensation and benefits strategy that rewards performance and reinforces a culture that the Compensation Committee believes will drive long-term success.

The compensation program rewards team accomplishments while promoting individual accountability. The executive officer compensation program depends in significant measure on Company results, but business unit results and individual accomplishments are also very important factors in determining each executive's compensation. The Company has a robust planning and goal-setting process that is fully integrated into the compensation system, enhancing a strong relationship among individual efforts, Company results and financial rewards.

A major portion of total compensation is placed at risk through annual and long-term incentives. As noted below, discretionary bonuses were paid to the Named Executive Officers. The combination of incentives is designed to balance annual operating objectives and Company earnings performance with longer-term stockholder value creation.

To implement its primary objectives, the Company seeks to provide competitive compensation that is commensurate with performance. The Company targets compensation at the median of the market and calibrates both annual and

long-term incentive opportunities to generate less-than-median awards when goals are not fully achieved and greater-than-median awards when goals are exceeded.

The Company believes that there is great value to the Company in having a team of long-tenured, seasoned managers and seeks to promote a long-term commitment from its senior executives. The Company's team-focused culture and management processes are designed to foster this commitment. In addition, restricted Common Stock awards granted to Named Executive Officers in the 2013 Fiscal Year reinforce this long-term orientation with annual vesting over a five-year period.

Role of the Compensation Committee

General. The Compensation Committee provides overall guidance for the Company's executive compensation policies and determines the amounts and elements of compensation for the Company's executive officers and outside directors. The Compensation Committee currently consists of two members of the Company's Board of Directors, Messrs. Peter Migliorini and Thomas Schwartz, each of whom is an independent director under Rule 5605 of The Nasdaq Global Select Market listing standards, a "non-employee director" as defined under the SEC's rules and an "outside director" as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

When considering decisions concerning the compensation of executives, other than the Chief Executive Officer, the Compensation Committee asks for the recommendations of the Chief Executive Officer, including his detailed evaluation of each executive's performance. No executive has a role in recommending compensation for outside directors. With respect to the application of the 2006 Plan to non-employee directors, the Board of Directors functions as the Compensation Committee.

Use of Outside Advisors. In making its determinations with respect to executive compensation, the Compensation Committee has historically engaged the services of an independent compensation consulting firm. The Compensation Committee has retained the services of James F. Reda & Associates, LLC, a division of Gallagher Benefit Services, Inc. ("Reda & Associates") since 2005 to assist with its review of the compensation packages and employment agreements of the Chief Executive Officer and other executive officers. In 2013, Reda & Associates worked with the Compensation Committee to assess the reasonableness of discretionary cash bonus payments and equity grants to Messrs. Rosenfeld, Dharia, Sinha and Schmertz and Ms. Varela based on the Company's and the individual's performance in the fiscal year ended December 31, 2012 and the reasonableness of the terms of new employment agreements for Mr. Sinha and Ms. Varela as compared with comparable positions in the peer group listed below. Executive compensation for the other Named Executive Officers was based on prior employment agreements with pay structures and levels guided by Reda & Associates' market studies just prior to the consummation of the agreements. Position-specific market studies were completed at the time of the employment agreement extension in support of the design of these agreements. The Compensation Committee also consulted Reda & Associates with respect to the establishment of a performance-based cash bonus pool based on a percentage of the Company's net income in the 2013 Fiscal Year. Reda & Associates provides only executive compensation consulting services and works with management only at the behest of the Compensation Committee.

The Compensation Committee retains Reda & Associates directly, although in carrying out assignments, Reda & Associates also interacts with Company management, when necessary and appropriate, in order to obtain compensation and performance data for the executives and the Company. In addition, Reda & Associates may, in its discretion, seek input and feedback from management regarding its consulting work product prior to presentation to the Compensation Committee in order to confirm alignment with the Company's business strategy and identify data questions or other similar issues, if any, prior to presentation to the Compensation Committee.

Independence of Outside Advisors. The Compensation Committee has the sole authority to retain, terminate, approve the fees and set the terms of the Company's relationship with any outside advisors who assist the Committee in carrying out its responsibilities, and may select or receive advice from any compensation consultant or other advisor only after taking into consideration all factors relevant to the consultant's independence from management, including

the factors set forth in the Nasdaq's rules.

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Accordingly, the Compensation Committee reviews annually its relationship with Reda & Associates to ensure its independence on executive compensation matters. Prior to selecting and receiving advice from Reda & Associates with respect to executive compensation in the 2013 Fiscal Year, the Compensation Committee reviewed the independence of Reda & Associates and the individual representatives of Reda & Associates who served as the committee's advisors. The Compensation Committee determined that no conflicts of interest exist between the Company and Reda & Associates (or any individuals working on the Company's account on behalf of Reda & Associates). In reaching such determination, the Compensation Committee considered, among other things, the following factors: (i) that Reda & Associates provides no services to the Company other than the executive compensation consulting services; (ii) the fees paid by us to Reda & Associates as a percentage of Reda & Associates' total revenue; (iii) the representations by Reda & Associates as to its policies and procedures that are designed to prevent a conflict of interest; (iv) any business or personal relationships between the individual representatives of Reda & Associates who advised the Compensation Committee and any member of the Compensation Committee; and (v) any business or personal relationships between our executive officers and Reda & Associates or the individual representatives of Reda & Associates.

Consideration of 2013 Stockholder Say on Pay Vote. At our 2013 Annual Meeting of Stockholders, our stockholders overwhelmingly approved, on an advisory basis, the compensation of our Named Executive Officers (96% of votes cast). The Compensation Committee believes this level of stockholder support reflects a very strong endorsement of our compensation policies and decisions. The Compensation Committee has considered the results of this advisory vote on executive compensation in determining the Company's compensation policies and decisions for 2014, and has determined that these policies and decisions are appropriate and in the best interests of the Company and its stockholders at this time.

Compensation Structure

Pay Elements - Overview

The Company utilizes four main components of compensation: