

1 800 FLOWERS COM INC  
Form PRE 14A  
October 21, 2016  
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, as amended.

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

Preliminary Proxy Statement  X

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

1-800-FLOWERS.COM, Inc.

(Name of Registrant as Specified in Its Charter)

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(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 transactions applies:

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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Check box if any part of the fee is offset as provided by Exchange Act Rule 240.0-11 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:

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1-800-FLOWERS.COM, INC.

One Old Country Road

Carle Place, New York 11514

Notice of Annual Meeting of Stockholders

December 13, 2016

The Annual Meeting of Stockholders (the “Annual Meeting”) of 1-800-FLOWERS.COM, Inc. (the “Company”) will be held at One Old Country Road, Carle Place, New York 11514, Fourth Floor Conference Room (the “Meeting Place”), on Tuesday, December 13, 2016 at 9:00 a.m. eastern standard time, or any adjournment thereof, for the following purposes, as more fully described in the Proxy Statement accompanying this notice:

- (1) To approve an amendment to the Company’s Amended and Restated Certificate of Incorporation to declassify the Board of Directors; and
- (2) If Proposal 1 is approved, to elect nine Directors to service until the 2017 Annual Meeting or until their respective successors have been duly elected and qualified; and
- (3) If Proposal 1 is not approved, to elect three Class II Directors, to serve until the 2019 Annual Meeting or until their respective successors shall have been duly elected and qualified; and
- (4) To ratify the appointment of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending July 2, 2017; and
- (5) To re-approve the 2003 Long Term Incentive and Share Award Plan, as Amended and Restated on October 22, 2009; and

- (6) To approve the Section 16 Executive Officers Bonus Plan, as amended and restated as of September 14, 2016;
  
- (7) To transact such other matters as may properly come before the Annual Meeting.

Only stockholders of record at the close of business on October 14, 2016 will be entitled to notice of, and to vote at, the Annual Meeting. A list of stockholders eligible to vote at the Annual Meeting will be available for inspection at the Annual Meeting, and for a period of ten days prior to the Annual Meeting, during regular business hours at the Meeting Place.

All stockholders are cordially invited to attend the Annual Meeting in person. Whether or not you expect to attend the Annual Meeting, your proxy vote is important. To assure your representation at the Annual Meeting, you are urged to cast your vote, as instructed in the Notice of Internet Availability of Proxy Materials, over the Internet or by telephone as promptly as possible. If you received a copy of the proxy materials by mail, you may sign, date and mail the proxy card in the envelope provided. Any stockholder of record attending the Annual Meeting may vote in person, even if he or she has voted over the Internet, by telephone or returned a completed proxy card. You may revoke your proxy at any time prior to the Annual Meeting. If you attend the Annual Meeting and vote by ballot, your proxy will be revoked automatically and only your vote at the Annual Meeting will be counted.

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By Order of the Board of Directors

/s/ Gerard M. Gallagher  
Gerard M. Gallagher  
Corporate Secretary

Carle Place, New York  
October 31, 2016

YOUR VOTE IS EXTREMELY IMPORTANT. YOU ARE URGED TO VOTE BY TELEPHONE OR INTERNET AS PROMPTLY AS POSSIBLE. ALTERNATIVELY, IF YOU RECEIVED A PAPER PROXY CARD BY MAIL, YOU MAY COMPLETE, SIGN AND RETURN THE PROXY CARD BY MAIL.

1-800-FLOWERS.COM, INC.  
PROXY STATEMENT

October 31, 2016

This Proxy Statement is furnished to stockholders of record of 1-800-FLOWERS.COM, Inc. (the “Company”) as of October 14, 2016 (the “Record Date”) in connection with the solicitation of proxies by the Board of Directors of the Company (the “Board of Directors” or the “Board”) for use at the Annual Meeting of Stockholders (the “Annual Meeting”) which will be held at One Old Country Road, Carle Place, New York 11514, Fourth Floor Conference Room (the “Meeting Place”), on Tuesday, December 13, 2016 at 9:00 a.m. eastern standard time or any adjournment thereof.

In accordance with rules and regulations adopted by the Securities and Exchange Commission, instead of mailing a printed copy of our proxy materials to every stockholder, we are now furnishing proxy materials to our stockholders on the Internet. If you received a Notice of Internet Availability of Proxy Materials by mail, you may not receive a printed copy of the proxy materials other than as described below. Instead, the Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice of Internet Availability of Proxy Materials also instructs you as to how you may submit your proxy by telephone or over the Internet. If you received a Notice of Internet Availability of Proxy Materials by mail and did not receive proxy materials by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice of Internet Availability of Proxy Materials.

The Securities and Exchange Commission’s rules permit us to deliver a single Notice or set of Annual Meeting materials to one address shared by two or more of our stockholders. This delivery method is referred to as “householding” and can result in significant cost savings. To take advantage of this opportunity, we have delivered only one proxy statement and annual report to multiple stockholders who share an address, unless we received contrary instructions from the impacted stockholders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the Notice or Annual Meeting materials, as requested, to any stockholder at the shared address to which a single copy of those documents was delivered. If you prefer to receive separate copies of the proxy statement or annual report, contact Broadridge Financial Solutions, Inc. at 1.800.542.1061 or in writing at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717. If you are currently a stockholder sharing an address with another stockholder and wish to receive only one copy of future Notices, proxy statements and annual reports for your household, please contact Broadridge at the above phone number or address.

Shares cannot be voted at the Annual Meeting unless the owner is present in person or by proxy. All properly executed and unrevoked proxies in the accompanying form that are received in time for the Annual Meeting will be voted at the Annual Meeting or any adjournment thereof in accordance with instructions thereon, or if no instructions are given, will be voted “FOR” the amendment of our Amended and Restated Certificate of Incorporation, if Proposal 1

is approved, "FOR" the election of nine Directors named in this proxy statement, if Proposal 1 is not approved, "FOR" the election of the three Class II Directors named in this proxy statement, and "FOR" the ratification of the appointment of BDO USA, LLP, as the Company's independent registered public accounting firm, for the fiscal year ending July 2, 2017, "FOR" the re-approval of the 2003 Long Term Incentive and Share Plan, as amended and restated as of October 22, 2009 and "FOR" the approval of the Section 16 Executive Officers Bonus Plan, as amended and restated September 14, 2016, and will be voted in accordance with the discretion of the person appointed as proxy with respect to other matters which may properly come before the Annual Meeting. Any person giving a proxy may revoke it by written notice to the Company at any time prior to the exercise of the proxy. In addition, although mere attendance at the Annual Meeting will not revoke the proxy, a stockholder who attends the Annual Meeting may withdraw his or her proxy and vote in person. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business at the Annual Meeting. Abstentions will be counted in tabulations of the votes cast on each of the proposals presented at the Annual Meeting, whereas broker non-votes will not be counted for purposes of determining whether a proposal has been approved.



The Annual Report of the Company (which does not form a part of the proxy solicitation materials) is being made available on [www.proxyvote.com](http://www.proxyvote.com) concurrently herewith to stockholders.

The mailing address of the principal executive office of the Company is One Old Country Road, Suite 500, Carle Place, New York 11514. It is anticipated that the Notice of Internet Availability of Proxy Materials is first being sent to stockholders on or about October 31, 2016. The proxy statement and form of proxy relating to the 2016 Annual Meeting is first being made available to stockholders on or about October 31, 2016.

## VOTING SECURITIES

The Company has two classes of voting securities issued and outstanding, its Class A common stock, par value \$0.01 per share (the "Class A Common Stock"), and its Class B common stock, par value \$0.01 per share (the "Class B Common Stock", and together with the Class A Common Stock, the "Common Stock"), which generally vote together as a single class on all matters presented to the stockholders for their vote or approval. At the Annual Meeting, each stockholder of record at the close of business on October 14, 2016 of Class A Common Stock will be entitled to one vote for each share of Class A Common Stock owned on that date as to each matter presented at the Annual Meeting and each stockholder of record at the close of business on October 14, 2016 of Class B Common Stock will be entitled to ten votes for each share of Class B Common Stock owned on that date as to each matter presented at the Annual Meeting. On October 14, 2016, 34,873,169 shares of Class A Common Stock and 29,039,444 shares of Class B Common Stock were outstanding. A list of stockholders eligible to vote at the Annual Meeting will be available for inspection at the Annual Meeting, and for a period of ten days prior to the Annual Meeting, during regular business hours at the Meeting Place.

## METHODS OF VOTING

Stockholders can vote in person at the Annual Meeting or by proxy. There are three ways to vote by proxy:

By Telephone -- You can vote by telephone by calling 1.800.690.6903

By Internet -- You can vote over the Internet at [www.proxyvote.com](http://www.proxyvote.com) by following the instructions on the proxy card;  
or

By Mail -- If you received your proxy materials by mail, you can vote by mail by signing, dating and mailing the enclosed proxy card.

Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. (EDT) on December 12, 2016.

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## **PROPOSAL 1**

### **AMENDMENT TO AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO ELIMINATE CLASSIFIED BOARD STRUCTURE**

Pursuant to the Company's Third Amended and Restated Certificate of Incorporation, the Board of Directors has been divided into three classes, denominated Class I, Class II and Class III, with members of each class holding office for staggered three-year terms or until their respective successors are duly elected and qualified. The Board of Directors currently consists of ten members, four of whom are Class I Directors whose term expires at the 2018 Annual Meeting, three of whom are Class II Directors whose term expires at this Annual Meeting and three of whom are Class III Directors whose term expires at the 2017 Annual Meeting.

Our Board of Directors has approved and declared advisable amendments to Article V of our Third Amended and Restated Certificate of Incorporation (the "Charter Amendment") to declassify our Board of Directors, institute annual voting for each Director to serve a one-year term beginning with the 2016 Annual Meeting and make related changes. Consistent with Delaware law for unclassified boards, the Charter Amendment will permit stockholders holding a majority of the total voting power of the Company's outstanding common stock to remove directors either with or without cause. The Third Amended and Restated Certificate of Incorporation currently permits the removal of directors only for cause and only by the affirmative vote of not less than 66.67% of the total voting power of the Company's outstanding common stock. The form of Charter Amendment, which is subject to stockholder approval, is set forth in Appendix A to this Proxy Statement.

Our Board of Directors also has approved, subject to the Charter Amendment becoming effective, certain conforming amendments to our Amended and Restated Bylaws (the "Bylaw Amendments") to remove references to a classified Board and to reflect stockholders' ability to remove directors on an unclassified Board with or without cause.

Our Board of Directors recommends that stockholders support Board declassification. Declassification of our Board of Directors would further our goal of ensuring that our corporate governance policies maximize Board accountability to stockholders and would allow stockholders the opportunity each year to register their views on the composition of our Board of Directors.

If stockholders approve the Charter Amendment, our classified Board structure will be eliminated, which will have the effect of reducing the current terms of our Class I and Class III directors so that they expire at the Annual Meeting,

and nine members of our Board of Directors will stand for election for a one-year term at the Annual Meeting (Proposal 2). The Bylaw Amendments will also become effective. The incumbent Class I and Class III directors have indicated their support for the declassification of our Board of Directors by agreeing to resign from their current terms if stockholders approve the Charter Amendment, effective upon filing of the Charter Amendment.

If stockholders do not approve the Charter Amendment, the election of our three Class II Director nominees to a three-year term will proceed under the Third Amended and Restated Certificate of Incorporation as currently in effect (Proposal 3), our Class I and Class III directors will continue to serve the remainder of their respective terms, and the Bylaw Amendment will not become effective.

If approved and adopted by stockholders, the Charter Amendment will be filed with the Secretary of State of the State of Delaware immediately following certification of the voting results with respect to Proposal 1 and will be in effect immediately upon such filing.

The affirmative votes by holders of at least 66.7% of the total voting power of the Company's outstanding Common Stock present in person or by proxy is required to approve the amendment to our Third Amended and Restated Certificate of Incorporation eliminating the classification of our Board of Directors. Unless otherwise instructed, the proxy holders will vote the proxies received by them "FOR" the amendment to our Third Amended and Restated Certificate of Incorporation eliminating the classification of our Board of Directors.

**THE BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE AMENDMENT TO OUR CERTIFICATE OF INCORPORATION ELIMINATING THE CLASSIFICATION OF OUR BOARD OF DIRECTORS**

**ELECTION OF DIRECTORS**

**PROPOSAL 2 —**

**IF PROPOSAL 1 IS APPROVED, TO ELECT NINE DIRECTORS**

If Proposal 1 is approved, the Board of Directors will be declassified and stockholders will vote to elect nine Directors to hold office for a one-year term. In such event, the Board of Directors has recommended Mses. Geralyn R. Breig and Celia Brown and Messrs. James Cannavino, Eugene DeMark, Leonard J. Elmore, Sean Hegarty, Christopher G. McCann, James F. McCann, and Larry Zarin for election as Directors, to serve until the 2017 Annual Meeting or until their successors are duly elected and qualified. If a nominee is unable to be a candidate when the election takes place, the shares represented by valid proxies will be voted in favor of the remaining nominees. The Board of Directors does not currently anticipate that any of the nominees will be unable to be a candidate for election.

Mr. Calcano has informed the Board of his decision to retire after this year and will not stand for election. The Board of Directors is grateful for Mr. Calcano's service over the course of his 15 years as a Director. In order to fill the

vacancy, the Nominating and Corporate Governance Committee is evaluating candidates who are qualified, eligible and willing to serve on the Board of Directors, Nominating and Corporate Governance Committee and Audit Committee. We anticipate we will fill the vacancy within a reasonable time after the 2016 Annual Meeting. When the Board succeeds in filling the vacancy, such newly appointed Director will serve until the 2017 Annual Meeting.

Information regarding the director nominees is set forth below under the heading “—Information Regarding Directors and Director Nominees”.

The affirmative vote of a plurality of the Company’s outstanding Common Stock present in person or by proxy at the Annual Meeting is required to elect the nominees for Directors. Unless otherwise instructed, the proxy holders will vote the proxies received by them “FOR” the election of the Directors.

**THE BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ELECTION OF ITS NINE DIRECTOR NOMINEES**

**PROPOSAL 3 —**

**IF PROPOSAL 1 IS NOT APPROVED, TO ELECT THREE CLASS II DIRECTORS**

If Proposal 1 is not approved, the Board of Directors will remain classified and stockholders will vote to elect three Class II directors at the Annual Meeting. The Board of Directors is currently divided into three classes, with each class serving a three-year term. The term of the current Class II Directors will expire at the Annual Meeting.

In the event that Proposal 1 is not approved, the Board of Directors has recommended Messrs. Eugene DeMark, Leonard Elmore and Sean Hegarty for election as Class II Directors, to serve until the 2019 Annual Meeting or until their successors are duly elected and qualified. If a nominee is unable to be a candidate when the election takes place, the shares represented by valid proxies will be voted in favor of the remaining nominees. The Board of Directors does not currently anticipate that any of the nominees will be unable to be a candidate for election.

Information regarding the director nominees is set forth below under the heading “—Information Regarding Directors and Director Nominees”.

The affirmative vote of a plurality of the Company’s outstanding Common Stock present in person or by proxy at the Annual Meeting is required to elect the nominees for Class II Directors. Unless otherwise instructed, the proxy holders will vote the proxies received by them “FOR” the election of the Class II Directors.

**THE BOARD RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE ELECTION OF MESSRS. EUGENE DEMARK, LEONARD ELMORE AND SEAN HEGARTY AS CLASS II DIRECTORS**

**Information Regarding Directors and Director Nominees**

Our Board of Directors currently consists of three Classes of Directors with each Director serving a staggered three-year term. The Class I Directors are Mses. Geralyn R. Breig and Celia Brown and Messrs. Lawrence Calcano and James A. Cannavino. The Class II Directors are Messrs. Eugene DeMark, Leonard Elmore and Sean Hegarty. The Class III Directors are Messrs. James F. McCann, Christopher G. McCann and Larry Zarin. The following information with respect to the principal occupation or employment, other affiliations and business experience of each of the nominees to be elected at the meeting and, in the event that Proposal 1 is not approved, the directors whose terms of office will extend beyond the meeting, during the last five years has been furnished to the Company by the nominee or director.

*Geralyn R. Breig*, age 54, has been a Director of the Company since January 2012. Ms. Breig has served as President of Clarks, Americas Region, a division of the global, privately held footwear company C & J Clark Ltd. headquartered in England from 2014 through 2016. Prior to Clarks she worked for Avon Products Inc. where she served as President of Avon North America and General Manager of Avon USA from 2008 to 2011. Prior to that, she was Senior Vice President & Brand President of Avon’s Global Marketing Business Unit from 2005-2008. Ms. Breig held several executive positions at the Campbell Soup Company from 1995 to 2005. She began her career in brand management for the Beauty Care Division at The Procter & Gamble Company and from 1986 to 1995, she held several managerial

positions at Kraft Foods, Inc. Ms. Breig has been a Director of Welch Foods Inc. since 2012 where she is a member of the Audit and Nominating and Governance committees.

Ms. Breig's career has focused on brand and product management at the management and executive level. She provides the Board with a brand management strategy, executive management experience and operational insights. We believe these experiences, qualifications, attributes and skills qualify her to serve as a member of our Board of Directors.

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*Celia R. Brown*, age 62, has been a director of the Company since June 2016. Ms. Brown served for five years as EVP, Group HR Director of Willis Group, a multi-billion dollar global, risk management and insurance brokerage company with operations in more than 120 countries. At Willis, Ms. Brown was an advisor to the CEO, compensation committee and Board of Directors on talent strategy, succession planning, reward strategy (including executive compensation), culture and diversity. Upon the 2016 merger of Willis and Towers Watson, Ms. Brown served as an integration advisor to the combined company. Prior to joining Willis, Ms. Brown was with XL Capital Ltd. and its predecessor company from 1988 through 2009 where she held numerous positions culminating in EVP, Head of Global HR and Corporate Relations. Ms. Brown serves as a board member for non-profit organization Volunteer New York.

As a result of Ms. Brown's career, she provides the Board with compensation and human resource experience and expertise. She also has experience integrating merger and acquisition transactions at the executive level. We believe these experiences, qualifications, attributes and skills qualify her to serve as a member of our Board of Directors. The Chief Executive Officer of the Company recommended Ms. Brown to the Nominating Committee.

*James Cannavino*, age 72, has been a Director of the Company since June 2007. Mr. Cannavino served as Chairman of the Board of Direct Insite from 2000 through 2011 and was Chief Executive Officer from December 2002 until May 2011. He continues to serve as a director. Direct Insite is a global provider of financial supply chain automation across procure-to-pay and order-to cash business processes. From September 1997 through April 2000, he was elected non-executive Chairman of Softworks, Inc. (a wholly owned subsidiary of Direct Insite, formerly Computer Concepts), which went public and was later sold to EMC. Mr. Cannavino was also the Chief Executive Officer and Chairman of the Board of Directors of Cybersafe, Inc., a company specializing in network security. Prior to Cybersafe, Mr. Cannavino was hired as President and Chief Operating Officer of Perot Systems Corporation; he was elected to serve as Chief Executive Officer through July 1997. Mr. Cannavino retired from IBM in 1995, a career that spanned 30 years, where he was Senior Vice President for Strategy and Business Development. Mr. Cannavino presently serves on the Boards of the National Center for Missing and Exploited Children and is the immediate past Chairman of The International Center for Missing and Exploited Children. He is a past chairman of the Board of Marist College in Poughkeepsie, New York and continues to serve on that board.

Mr. Cannavino's numerous years of experience in executive level positions in the technology industry provides the Board with a wealth of valuable insight and knowledge regarding business strategy, operational and management experience in the technology industry. We believe these experiences, qualifications, attributes and skills qualify him to serve as a member of our Board of Directors.

*Eugene DeMark*, age 69, has been a Director of the Company since January 2012. Mr. DeMark worked for KPMG LLP, a global professional services firm, from June 1969 until his retirement in October 2009. He served as the Advisory Northeast Area Managing Partner at KPMG from October 2005 until his retirement. During his career with KPMG, he served in various leadership positions including Area Managing Partner of the Information, Communications and Electronics Practice as well as Managing Partner of the firm's Long Island office. While on special assignment at KPMG he worked on the research staff of the Commission on Auditors Responsibilities (the predecessor of the Treadway Commission) that was formed to assess increases in fraudulent financial reporting and developed KPMG's first study guide on SEC reporting. Since his retirement, Mr. DeMark has been an independent consultant. Mr. DeMark has served on the Board of Directors of BankUnited, Florida's largest independent bank, since 2010 and is the chair of the Audit and Risk Committee. He also serves on the Governance and Compensation committees of the Bank's Board and is the Lead Director. Mr. DeMark has been on the Board of Directors of MSG Networks since October 2015 and is the Chair of their Audit Committee and serves on the Compensation Committee. He is a Certified Public Accountant in the State of New York.

As a result of Mr. DeMark's professional experience and 40 year career with one of the leading professional services firm, he provides the Board with financial expertise, experience in risk management and executive managerial experience. Mr. DeMark qualifies as an audit committee financial expert and is financially sophisticated within the meaning of the NASDAQ Stock Market Rules. We believe these experiences, qualifications, attributes and skills qualify him to serve as a member of our Board of Directors.

*Leonard J. Elmore*, age 64, has been a Director of the Company since October 2002. Mr. Elmore has been a NCAA commentator for CBS Sports and ESPN for over 25 years. Mr. Elmore was the Chief Executive Officer of iHoops, the official youth basketball initiative of the NCAA and NBA from May 2010 until October 2011 and served as a Board Member from its inception in April 2009 until May 2010. Prior to joining iHoops, he was a Partner with the law firm of Dreier LLP in its New York City headquarters from September 2008 until February 2009. Prior to his employment with Dreier LLP in September, 2008, Mr. Elmore served as Senior Counsel with LeBoeuf, Lamb, et. al. (subsequently, Dewey & LeBoeuf) from October 2004 until March 2008. Prior thereto, Mr. Elmore served as the President of Test University, a leading provider of internet-delivered learning solutions for pre-college students, from 2001 to 2003. Mr. Elmore has served on the Board of Directors of Lee Enterprises, Inc. since February 2007 and is currently a member of their Audit Committee. Mr. Elmore continues to fulfill his commitment to public service as a Commissioner on the John and James L. Knight Foundation's Knight Commission on Intercollegiate Athletics.

Mr. Elmore's career has spanned many different sectors from the diverse public service sectors to law firm experience. He provides the Board a wealth of business strategy, operational and management experience. We believe these experiences, qualifications, attributes and skills qualify him to serve as a member of our Board of Directors.

*Sean Hegarty*, age 59, has been a Director of the Company since January 2014. Mr. Hegarty worked for Forbes Family Holdings, Inc. and its subsidiary, Forbes Media LLC from 1987 until 2011. Mr. Hegarty joined Forbes as the director of taxes, became the vice president of finance in 1998 and in 2003 he became the Executive Vice President and Chief Financial Officer until he left the company in 2011. Currently, Mr. Hegarty is the managing partner of his own financial and tax planning consulting firm, Hegarty & Company. Since January 2015, he has served as the Chief Financial Officer for SBKTM Holdings, Inc., an affiliate of Forbes Family Holdings, Inc. Mr. Hegarty began his career in 1979 with Ernst & Young LLP.

As a result of Mr. Hegarty's professional experience, he provides the Board with financial expertise, experience in risk management and executive managerial experience. We believe these experiences, qualifications, attributes and skills qualify him to serve as a member of our Board of Directors.

*Christopher G. McCann*, age 55, has been the Company's President since September 2000 and Chief Executive Officer since June 2016. Prior to that had served as the Company's Senior Vice President and was the President of the Consumer Floral Brand from July 2010 until October 2013. Mr. McCann has been a Director of the Company since inception. Mr. McCann is a member of the Board of Trustees of Marist College. He is the Vice Chairman of the Board of Directors of IGHIL. Christopher G. McCann is the brother of James F. McCann, the Company's Executive Chairman of the Board.

Due to Mr. C. McCann's various positions within the Company over the course of 20+ years, he brings to the Board a unique insight into the day-to-day operations of the Company and its subsidiaries as well as its strategic vision. In addition, his prior service on other public company boards of directors provide the Board with valuable board-level experience. We believe these experiences, qualifications, attributes and skills qualify him to serve as a member of our Board of Directors.

*James F. McCann*, age 65, is the founder of the Company and has served as the Company's Chairman of the Board and Chief Executive Officer from inception until June 2016. In June 2016, Mr. McCann became the Executive Chairman of the Board and relinquished the Chief Executive Officer role to Mr. C. McCann. Mr. McCann has been in the floral industry since 1976 when he began a retail chain of flower shops in the New York metropolitan area. Mr. McCann is the non-executive Chairman of the Board of Directors of Willis Holdings Group and serves as a member of its Nominating and Corporate Governance Committee. Mr. McCann is also a member of the Board of Directors of International Game Technology PLC and The Scotts Miracle Gro Company. James F. McCann is the brother of Christopher G. McCann, Chief Executive Officer, Director and President of the Company.

As the Company's Chairman of the Board and Chief Executive Officer since inception Mr. J. McCann brings to the Board his deep understanding of the Company's strategic business goals and extensive experience with both Company and industry-specific opportunities and challenges. Mr. J. McCann's current and prior service on other public company boards of directors and their committees provide the Board with valuable board-level experience. We believe these experiences, qualifications, attributes and skills qualify him to serve as a member of our Board of Directors.

*Larry Zarin*, age 62, has been a director of the Company since March 2009. Mr. Zarin was Senior Vice President and Chief Marketing Officer for Express Scripts, a Fortune 25 company whose goal is to make the use of prescription drugs safer and more affordable, until his retirement in July 2013. He joined Express Scripts in 1996 and during his tenure, he had a leading role in the successful integration of the company's numerous major acquisitions, including, the \$29.1 billion acquisition of Medco. Mr. Zarin was responsible for corporate communications and marketing and was a frequent speaker at industry conferences and events. Before joining Express Scripts, Mr. Zarin headed a St. Louis

consulting firm.

Mr. Zarin has extensive product and brand marketing and business leadership skills from his career at Express Scripts. He also has experience overseeing and integrating merger and acquisition transactions at an executive level. We believe these experiences, qualifications, attributes and skills qualify him to serve as a member of our Board of Directors.

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## **Board Leadership Structure**

The Board has no policy that requires the combination or separation of the roles of Chairman or Chief Executive Officer. Mr. J. McCann served as both our Chairman of the Board and our Chief Executive Officer until June 2016, at which point he ceased serving as Chief Executive Officer. The Board believes that Mr. J. McCann is the director best suited to serve as Executive Chairman of the Board. As the founder of the Company, he is most familiar with the Company's business and industry. He is uniquely situated to identify strategic priorities and to lead the Board in discussions regarding strategy and business planning and operations. In addition, his service on other public company boards of directors and their committees provide the Board with valuable board-level experience. The Company does not currently have a lead independent director.

## **Board Oversight of Risk Management**

The Board of Directors, as a whole and through its committees, oversees the Company's risk management process, including operational, financial, legal, strategic, marketing and brand reputation risks. The Audit Committee assists the Board in the oversight of the risk management process. In addition, the Board is guided by management presentations at Board meetings and throughout the fiscal year that serve to provide visibility to the Board about the identification, evaluation and management of risks the Company is facing as well as how to mitigate such risks.

## **Information about the Board and its Committees**

Each of our Directors, other than Messrs. James F. McCann and Christopher G. McCann, qualifies as an "independent director" as defined under the published listing requirements of the NASDAQ Stock Market. The NASDAQ independence definition includes a series of objective tests. For example, an independent director may not be employed by us and may not engage in certain types of business dealings with the Company. In addition, as further required by NASDAQ rules, the Board has made a subjective determination as to each independent Director that no relationship exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director. In making these determinations, the Board reviewed and discussed information provided by the Directors and by the Company with regard to each Director's business and personal activities as they may relate to the Company and the Company's management. In addition, as required by NASDAQ rules, the Board determined that the members of the Audit Committee each qualify as "independent" under special standards established by NASDAQ and the U.S. Securities and Exchange Commission (the "Commission") for members of audit committees. The Board does not have a formal policy with respect to diversity. The Board and Nominating and Corporate Governance Committee believe that it is critical for the Directors to have varying points of view, with a broad spectrum of experience, education, skills, backgrounds, professional and life experience that when viewed as the collective group, provide an ample blend of perspectives to allow the Board to fulfill its duties to the long-term interests of the Company's shareholders.



The table below provides current membership and meeting information for each of the Board committees for Fiscal 2016.

**Current Membership:**

Directors	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Secondary Compensation Committee
James F. McCann				X
Christopher G. McCann				
Geralyn R. Breig			X	
Celia R. Brown		X		
Lawrence Calcano	X		X	
James Cannavino		X*		
Eugene F. DeMark	X*			
Leonard J. Elmore			X*	
Sean Hegarty	X			
Larry Zarin		X		
Total Meetings in Fiscal 2016	4	4	2	4

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\*Committee Chairperson

*Audit Committee*

The Audit Committee of the Board of Directors reports to the Board regarding the appointment of the Company's independent registered public accountants, the scope and results of its annual audits, compliance with accounting and financial policies and management's procedures and policies relative to the adequacy of internal accounting controls. The Company's Board of Directors adopted a written charter for the Audit Committee in January 2000, as amended in August 2003, which outlines the responsibilities of the Audit Committee. A current copy of the charter of the Audit Committee is available on our website located at [www.1800flowers.com](http://www.1800flowers.com) under the Investor Relations section of the website.

Each member of the Audit Committee is "financially literate" as required by NASDAQ rules. The Audit Committee also includes at least one member, Eugene DeMark, who was determined by the Board to meet the qualifications of an "audit committee financial expert" in accordance with Commission rules and to meet the qualifications of "financial sophistication" in accordance with NASDAQ rules. Stockholders should understand that these designations relate to



our Audit Committee members' experience and understanding with respect to certain accounting and auditing matters and do not impose upon any of them any duties, obligations or liabilities that are greater than those generally imposed on a member of the Audit Committee or of the Board.

### *Compensation Committee*

The Compensation Committee of the Board of Directors establishes the Company's compensation philosophy and makes a final determination on all forms of compensation to be provided to the Company's Section 16 Executive Officers ("Executive Officers"), including base salary and the provisions of the Sharing Success Program under which annual incentive compensation may be awarded. In addition, the Compensation Committee administers the Company's 2003 Long Term Incentive and Share Award Plan ("2003 Plan") under which option grants, stock appreciation rights, restricted awards, performance awards and equity awards may be made to Directors, officers, employees of, and consultants to, the Company and its subsidiaries. See "Named Executive Officer Compensation—Compensation Discussion and Analysis—Sharing Success Program and Long-Term Incentive Equity Awards." The Board of Directors has authorized a Secondary Committee of the Compensation Committee (the "Secondary Committee"), which consists of Mr. James F. McCann, to also review awards for all of the Company's employees, other than its Executive Officers. The Compensation Committee also makes recommendations to the Board of Directors regarding Directors' compensation. The Company's Board of Directors adopted a written charter for the Compensation Committee in June 2003, as amended in June 2013, which outlines the responsibilities of the Compensation Committee. All of the members of the Company's compensation committee are independent directors and have never been employees of the Company. A current copy of the charter of the Compensation Committee is available on our web site located at [www.1800flowers.com](http://www.1800flowers.com) under the Investor Relations section of the website.

### *Nominating and Corporate Governance Committee*

The Nominating and Corporate Governance Committee is responsible for the oversight of the evaluation of the Board of Directors, including its size and composition; it reviews and reassesses the adequacy of corporate governance guidelines and practices and develops and recommends to the Board the Company's corporate governance guidelines and practices; and identifies and evaluates individuals qualified to become Board members and recommends to the Board, Director nominees for election and re-election. The Nominating and Corporate Governance Committee will consider recommendations for prospective nominees for the Board from other members of the Board, management and others, including Stockholders, and may employ third-party search firms. The Company's Board of Directors adopted a written charter for the Nominating and Corporate Governance Committee in June 2003, which outlines the responsibilities of the Committee. A current copy of the charter of the Nominating and Corporate Governance Committee is available on our website located at [www.1800flowers.com](http://www.1800flowers.com) under the Investor Relations section of the website.

### **Compensation Committee Interlocks and Insider Participation**

No interlocking relationships exist between the Board of Directors or the Compensation Committee and the Board of Directors or the compensation committee of any other company, nor has any such interlocking relationship existed in the past. No member of the Compensation Committee was an officer or employee of the Company at any time during Fiscal 2016.

### **Communication with Board of Directors**

The Nominating and Corporate Governance Committee, on behalf of the Board, reviews letters from stockholders concerning the Company's Annual Meeting of Stockholders and governance process, including recommendations of director candidates, and makes recommendations to the Board based on such communications. Stockholders can send communications to the Board and to the non-management Directors by mail in care of the Corporate Secretary at One Old Country Road, Suite 500, Carle Place, NY 11514, Attention: Gerard M. Gallagher, and should specify the intended recipient or recipients. All such communications, other than unsolicited commercial solicitations or communications, will be forwarded to the appropriate Director or Directors for review. Any such unsolicited commercial solicitation or communication not forwarded to the appropriate Director or Directors will be available to any non-management Director who wishes to review it.

### **Attendance at Meetings**

During Fiscal 2016, the Board of Directors held five meetings and acted by unanimous written consent on one occasion. During Fiscal 2016, all incumbent Directors, with the exception of Mr. Calcano, attended at least 75 % of the meetings of the Board of Directors and the meetings held by all committees of the Board of which they were a member. We expect Messrs. J. McCann and C. McCann, and no other directors, to attend the Annual Meeting; Messrs. J. McCann and C. McCann , and no other directors, attended last year's Annual Meeting of the Stockholders.

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 ("Exchange Act") requires our Executive Officers and Directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the Commission. Executive Officers, Directors, and greater than 10% stockholders are required by Commission regulations to furnish us with copies of all reports they file pursuant to Section 16(a).

Based on a review of the copies of such reports furnished to us, we believe that all Section 16(a) filings requirements applicable to our Executive Officers, Directors and greater than 10% stockholders have been satisfied, with the exception of the following inadvertent late filings. Non-executive directors Geralyn Breig, Lawrence Calcano, James Cannavino, Eugene DeMark, Leonard J. Elmore, Sean Hegarty, and Larry Zarin each filed one late Form 4 relating to receipt of Common Stock as compensation for serving as a director, an exempt transaction under Section 16(b) of the Exchange Act. Thomas Hartnett, Arnold Leap, William Shea, and David Taiclet each filed one late Form 4 relating to a grant of Common Stock that was an exempt transaction under Section 16(b) of the Exchange Act. Arnold Leap filed one late Form 4 relating to a sale of Common Stock

## Compensation of Directors

In fiscal 2016, which ended on July 3, 2016, non-employee members of the Company's Board of Directors received the following compensation:

- Annual retainer of \$30,000 payable in quarterly installments on each of the Board of Director's four regularly \*scheduled Board meetings during the calendar year following the Annual Meeting of Shareholders (the "Shareholders Meeting") held in the prior year.
- \* An additional fee to the Chairpersons of the Board's Committees for their services and for Board members who served on the Company's Integration Steering Committee:
  - (a) Audit Committee Chairman - \$20,000,
  - (b) Compensation Committee Chairman - \$10,000,
  - (c) Nominating and Corporate Governance Committee Chairman - \$7,500, and
  - (d) Harry & David Culture and Information Technology Integration Steering Committee - \$10,000 per month.
- On the date of the Shareholders Meeting, each non-employee Director receives shares of the Company's Class A \*Common Stock equal to a value of \$20,000. The actual number of shares is determined by the closing price of the shares on the date of the Shareholders Meeting (the "Grant Date"). These shares fully vest on the first anniversary of the Grant Date.
- \* Any Director joining the Board, or becoming a Chairperson of one of the above Committees, in a given year following the Shareholders Meeting receives a pro-rata share of the compensation provided for above.
- \* Board members are reimbursed for reasonable travel and lodging expenses associated with attendance at any Board or Committee meeting.



The following table includes information about compensation paid to our non-employee directors for the fiscal year ended July 3, 2016:

Name	Annual Cash Retainer	Other Fees (\$)	Fees Earned or Paid in Cash	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation	Value and Nonqualified Deferred Compensation Earnings
			(1)	(\$)	(\$)	(\$)	(\$)
			(\$)				(\$)