HELEN OF TROY LTD
Form DEF 14A
September 14, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE

SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant þ
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))**
þ	Definitive Proxy Statement
¨	Definitive Additional Materials
¨	Soliciting Material Pursuant to §240.14a-12

HELEN OF TROY LIMITED

(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):

þ 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:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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HELEN OF TROY LIMITED

Clarendon House

Church Street

Hamilton, Bermuda

September 16, 2011

Dear Shareholders:

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

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

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

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

Sincerely,

/s/ Gerald J. Rubin

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

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HELEN OF TROY LIMITED

Clarendon House

Church Street

Hamilton, Bermuda

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD OCTOBER 11, 2011

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

1. To set the number of Director positions at seven (or such lower number as shall equal the number of nominees elected as Directors) and elect the seven nominees to our Board of Directors;

2. To conduct a non-binding advisory vote on executive compensation;

3. To conduct a non-binding advisory vote on the frequency of conducting the vote on executive compensation;

4. To approve certain amendments to the Helen of Troy Limited 2008 Stock Incentive Plan;

5. To approve the Helen of Troy Limited 2011 Annual Incentive Plan;

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

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

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

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

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

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

/s/ Vincent D. Carson

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

El Paso, Texas
September 16, 2011

IMPORTANT

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

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HELEN OF TROY LIMITED

Clarendon House

Church Street

Hamilton, Bermuda

PROXY STATEMENT

FOR

ANNUAL GENERAL MEETING OF SHAREHOLDERS

October 11, 2011

SOLICITATION OF PROXIES

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

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

- **FOR** setting the number of Director positions at seven (or such lower number as shall equal the number of nominees elected as Directors) and electing the seven nominees to the Board of Directors, as set forth in Proposal 1.

- **FOR** a non-binding advisory resolution on executive compensation, as set forth in Proposal 2.

- **FOR** a non-binding advisory vote setting the frequency of future advisory votes at one year, as set forth in Proposal 3.

- **FOR** the approval of the amendments to the Helen of Troy Limited 2008 Stock Incentive Plan, as set forth in Proposal 4.

- **FOR** the approval of the Helen of Troy Limited 2011 Annual Incentive Plan, as set forth in Proposal 5.

- **FOR** the appointment of Grant Thornton LLP as the auditor and independent registered public accounting firm of the Company and to authorize the Audit Committee of the Board of Directors to set the auditor s remuneration, as set forth in Proposal 6.

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

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

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

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VOTING SECURITIES AND RECORD DATE

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

QUORUM; VOTING

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

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

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

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

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

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

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

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

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

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

ATTENDING THE ANNUAL MEETING

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

PROPOSAL 1: ELECTION OF DIRECTORS

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

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

Nominees for the Election of Directors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Current Director Whose Term Expires at the Annual Meeting

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

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CORPORATE GOVERNANCE

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

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

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

- affirmative determination by the Board of Directors that a majority of the Directors are independent;
- regularly scheduled executive sessions of independent Directors;
- Audit Committee, Nominating Committee and Compensation Committee comprised of independent Directors and having the purposes and charters described below under the separate committee headings; and
- specific Audit Committee responsibility, authority and procedures outlined in the charter of the Audit Committee.

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

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

- independent under the NASDAQ listing standards for purposes of membership on the Nominating Committee; and

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

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BOARD LEADERSHIP AND THE BOARD S ROLE IN RISK OVERSIGHT

Board Leadership

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

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

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

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

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

The Board s Role on Risk Oversight

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

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

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BOARD COMMITTEES AND MEETINGS

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

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

M = Current Member during fiscal 2011

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

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

Compensation Committee. The Compensation Committee operates under a written charter that has been adopted by the Board of Directors. The primary purposes of the committee are to (1) evaluate and approve the corporate goals and objectives set by the Chief Executive Officer (the CEO), (2) evaluate the CEO s performance in light of those goals and objectives, (3) make recommendations to the Board of Directors with respect to non-CEO compensation, incentive compensation plans and equity-based plans, (4) oversee the administration of our incentive compensation plans and equity-based plans, and (5) produce an annual report on executive compensation for inclusion in the Company s proxy statement. The Board of Directors has determined that the members of this committee are independent as previously described. In addition to formal meetings, the committee also conducted numerous informal telephonic discussions and consulted its legal advisors throughout the year.

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

- Assisting in the design and negotiation of his revised employment agreement;

- Advising on appropriate executive performance goals and metrics for Mr. Rubin;

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

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

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

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

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

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

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

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

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

SHAREHOLDER COMMUNICATIONS TO THE BOARD OF DIRECTORS

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

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

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

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

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

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DIRECTOR COMPENSATION

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

Director Compensation for Fiscal Year 2011

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

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

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

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

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

Directors Fees Earned or Paid in Cash for Fiscal Year 2011

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

(1) All non-employee Directors receive a quarterly cash retainer of $6,000.

(2) All non-employee Directors receive a cash fee of $3,000 for each quarterly meeting of the Board of Directors attended.

(3) All independent Directors receive a quarterly cash fee of $6,000 for participation in executive sessions.

(4) The Deputy Chairman and lead Director receives a quarterly cash fee of $10,000.

(5) Each non-chair member of the Audit Committee receives a quarterly cash fee of $6,000, each non-chair member of the Compensation Committee receives a quarterly cash fee of $3,000 and each non-chair member of the Corporate Governance Committee receives a quarterly cash fee of $1,500.

(6) The Compensation Committee Chairman receives a quarterly cash fee of $5,000.

(7) The Corporate Governance Committee Chairman receives a quarterly cash fee of $2,500.

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

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

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

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

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

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

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

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

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

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

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Director Stock Ownership and Compensation Guidelines

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

Non-Employee Director Equity Compensation Plan

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

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

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

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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EXECUTIVE OFFICERS

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

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

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

REPORT OF THE COMPENSATION COMMITTEE

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

Members of the Compensation Committee:

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

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

COMPENSATION DISCUSSION AND ANALYSIS

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

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

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

Revised CEO Employment Agreement

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

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

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

Oversight of Our Executive Compensation Program

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

Objectives of Our Compensation Program

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

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

- outstanding achievement should be recognized.

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

The Role of Chief Executive Officer in Determining Executive Compensation

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

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Compensation Consultant and Other Advisers

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

Our Compensation Program for Our Chief Executive Officer

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

1999 Employment Agreement

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

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

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

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Revised CEO Employment Agreement

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

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

Component	1999 Agreement	Revised Agreement
Term of Agreement	Evergreen	Through February 28, 2015
Equity Grants	Guaranteed Options	Performance-Based Restricted Stock Units
	Immediately Vested	Graduated Vesting
Bonus Plan	All Cash	Mix of Cash and Equity
	Graduated Percentage Based on Earnings from Continuing Operations	Graduated Percentage Based on Adjusted EBITDA (as defined below)
Tax Gross-up	On Perquisites	Eliminated
Other Perquisites	Car & Driver, Disability Insurance, Lifetime Welfare Benefits	