

Revance Therapeutics, Inc.
Form 8-K
December 05, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 5, 2017

REVANCE THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State of incorporation)

001-36297
(Commission

75-0551645
(IRS Employer

File No.)
Revance Therapeutics, Inc.

Identification No.)

Edgar Filing: Revance Therapeutics, Inc. - Form 8-K

7555 Gateway Boulevard

Newark, California 94560

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (510) 742-3400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 7.01 REGULATION FD DISCLOSURE

Revance Therapeutics, Inc. (the Company) issued a press release on December 5, 2017, announcing clinical results from its SAKURA 1 and SAKURA 2 Phase 3 pivotal trials of DaxibotulinumtoxinA for Injection (RT002) for the treatment of glabellar (frown) lines. A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated by reference herein.

During a conference call and webcast scheduled to be held at 5:00 a.m. Pacific Time on December 5, 2017, Company management will discuss the results from the study. The slide presentation for the conference call and webcast is furnished as Exhibit 99.2 hereto and is incorporated by reference herein.

The information in this Item 7.01 of this current report on Form 8-K and Exhibits 99.1 and 99.2 attached hereto shall not be deemed filed for purposes of Section 18 of the Securities Act of 1934, as amended (the Exchange Act), or otherwise subject to the liabilities of that Section, or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Number	Description
99.1	<u>Press Release dated December 5, 2017</u>
99.2	<u>Revance Therapeutics, Inc. Investor Presentation.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 5, 2017

Revance Therapeutics, Inc.

By: /s/ Lauren P. Silvernail
Lauren P. Silvernail
Chief Financial Officer and Chief Business Officer

Threshold

\$

436,050,000

\$

350,000

\$

87,500

Target

\$

459,000,000

\$

500,000

\$

125,000

Maximum

\$

475,065,000

\$

866,667

\$

216,667

In establishing the working capital targets set forth above, the Committee took into account the return of approximately \$26 million to shareholders during fiscal 2017 through share repurchases and dividends, all of which operated to reduce working capital.

The EBITDA levels at which a bonus would be paid to Messrs. Kramer and Mehmel increased from a range of \$126 million (threshold) to \$165 million (maximum) for 2017 to a range of \$141 million (minimum) to \$184 million (maximum) for 2018, representing an approximate 12% increase in the minimum and maximum levels. Both the 2017 and 2018 levels exclude the EBITDA contribution from the

Plastics business and include the EBITDA contribution from the ClosetMaid business; the 2018 levels include the EBITDA contribution from CornellCookson from the time of the acquisition. Because the Company sets robust targets to attain growth, the Committee believes a range is appropriate so that opportunities are meaningful given varying economic and operational conditions.

Against this background, the Committee establishes EBITDA targets after the Board has reviewed the Griffon operating plan developed by management for the coming fiscal year. That operating plan incorporates the plans and budgets of each of the Company's operating subsidiaries as well as corporate expense, and requires that certain levels of organic growth be achieved for the payment of target bonuses at the subsidiary levels. In establishing EBITDA targets, the Compensation Committee considered a variety of factors when EBITDA target levels were set for fiscal 2018, such as

the challenging U.S. and global economic environment, including in particular how the current economic environment is likely to impact consumer spending, and the likely resulting impact on AMES, the Company's lawn and garden tool business and closet organization and general living storage business; the uncertainty regarding future trends relating to residential and commercial construction, remodeling and renovation, which has a direct impact on the Company's building products business; the effect of tariffs or other changes in international trade agreements or arrangements on the importing of goods from various foreign markets such as China, and the possible impact on the Company's home and building products business of such tariffs or other changes; the uncertain defense budgetary environment, including whether certain U.S. military programs are funded and the actual timing of any such funding, and the potential impact of such determinations on Telephonics, the Company's defense electronics business; and that the setting of appropriate consolidated EBITDA targets would create an incentive to control general and administrative expenses.

In establishing working capital targets, the Compensation Committee considered the capital requirements of the Company necessary for the Company to maintain a strong balance sheet and desirable levels of liquidity for fiscal 2018. The Committee also considered anticipated cash expenditures for fiscal 2018. The Committee believes that working capital is an appropriate measure of financial strength and stability as it prevents excessive reliance on short-term borrowings, thereby reducing the Company's exposure to uncertainties of the capital markets. Importantly, the Compensation Committee also recognized the inherent tension between maintaining a strong working capital position and the mandates of the Company's Board of Directors to increase earnings growth through acquisitions of synergistic or complementary businesses and to return cash to shareholders through share repurchases and dividends. Unlike operating measures such as EBITDA, with respect to which the Company's operational budget provides for annual growth for continuing operations, working capital levels reflect a measure of financial strength and stability and therefore may remain more static or even decline slightly in any given year. The Committee also recognized that in view of the Board's role in establishing the level of share repurchases and in approving acquisitions, decisions with respect to these activities and the consequences of those decisions are not ultimately within the control of management. To address this balance, and to eliminate any disincentive for management to pursue strategic acquisitions as well as to avoid penalizing management for implementing the Board authorized share repurchase program, the Compensation Committee determined

that the appropriate barometer should be an adjusted working capital measure that is not reduced by amounts expended in connection with share repurchases, and that is reduced by 50% (as opposed to 100%) of acquisition expenses (the adjusted working capital).

After the conclusion of fiscal 2018 and the preparation of the Company's audited financial statements, the Compensation Committee reviewed the extent to which targets established for annual bonus opportunities for fiscal 2018 were attained and considered the extent to which annual bonuses would be paid. The Committee determined that Messrs. Kramer and Mehmel were eligible for, and would be awarded, bonus amounts as follows, based on achieving EBITDA of \$168.6 million and working capital of \$503.7 million (as previously approved by the Committee, interpolation was used to arrive at the eligible amounts):

Executive	Amount based on EBITDA	Amount based on Working Capital	Total Bonus Awarded
Ronald J. Kramer	\$ 1,747,620	\$ 866,667	\$ 2,614,287
Robert F. Mehmel	\$ 436,905	\$ 216,667	\$ 653,572

In making the determination not to apply negative discretion and to therefore award each of Messrs. Kramer and Mehmel the bonus amount based on the calculations as described above, the Compensation Committee considered factors similar to those that it considered in determining the amounts to be awarded to Messrs. Kramer and Mehmel with respect to the long-term cash bonus incentive opportunity for the period fiscal 2016 through fiscal 2018, as described above.

The 2018 bonuses for Messrs. Harris and Kaplan were discretionary and based primarily upon a subjective analysis by the Compensation Committee of the individual performance of each of Messrs. Harris and Kaplan. The Committee recognized the contributions made by Mr. Harris in overseeing the Company's finance, accounting, treasury and tax functions, and by Mr. Kaplan relating to the Company's legal function, during fiscal 2018, as well as the substantial contributions made by Messrs. Harris and Kaplan with respect to the disposition of the Plastics business and the various acquisitions completed by the Company in fiscal 2018. The Committee determined that Mr. Harris be awarded a bonus of \$456,000, and that Mr. Kaplan be awarded a bonus of \$426,000, in respect of fiscal 2018.

Aggregate Cash Bonuses Paid to CEO and COO. Based on the above, the aggregate cash bonus amounts paid to Messrs. Kramer and Mehmel following the end of fiscal 2018 are as set forth below. These amounts appear in the Summary Compensation Table in the column Non-Equity Incentive Plan Compensation for the year 2018 for Messrs. Kramer and Mehmel.

Executive	Amount based on long-term incentive bonus opportunity (performance period October 1, 2015 to September 30,	Amount based on short-term incentive bonus opportunity (performance period fiscal 2018)	Total Bonus Awarded
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2018)

Ronald J. Kramer	\$ 2,895,652	\$ 2,614,287	\$ 5,509,939
Robert F. Mehmel	\$ 723,913	\$ 653,572	\$ 1,377,485

ClosetMaid Bonus Program. The ClosetMaid acquisition was completed on October 2, 2017. The Committee, in recognition of the importance that the ClosetMaid business be integrated successfully with the AMES business and perform to expectations during the first few years following the acquisition, discussed and approved a ClosetMaid cash bonus program for a group of key executives and employees at corporate, including our named executive officers, and at AMES. These bonuses will be paid after a two year period if ClosetMaid achieves aggregate EBITDA of \$50 million or greater during the two year period

fiscal 2018 fiscal 2019. This performance level was chosen because it formed the basis for the approval of the acquisition by the Griffon Board. The Committee consulted with, and was advised by, Gallagher with respect to its consideration and approval of the ClosetMaid bonus program. The bonus award opportunities for Messrs. Kramer, Mehmel, Harris and Kaplan are in the amounts of \$1,500,000, \$750,000, \$250,000 and \$200,000, respectively, and were granted under the Performance Bonus Plan.

Plastics Transaction Bonuses. In recognition of the extraordinary result obtained, and efforts expended, in connection with the sale of Griffon's Clopay Plastics business to Berry Global, Inc. for \$475 million in cash, the Committee approved the payment of cash transaction bonuses to a group of executives and other key employees at corporate, including our named executive officers. The Committee concluded that Griffon management, led by the named executive officers, played a unique role in that it conducted the selling process in such a manner as to obtain a favorable result for the Company that substantially exceeded the expectations of the Company's Board. The Committee consulted with, and was advised by, Gallagher with respect to its consideration and approval of the Plastics transaction bonuses. The bonus amounts paid to Messrs. Kramer, Mehmel, Harris and Kaplan were in the amounts of \$2,250,000, \$1,125,000, \$350,000 and \$300,000, respectively.

Equity-based Compensation. Equity-based compensation is designed to provide incentives to our executive officers to build stockholder value over the long-term by aligning their interests with the interest of stockholders. Since 2006, we have granted equity-based awards in the form of restricted stock, as the Compensation Committee determined this was an effective vehicle for the motivation and retention of our executive officers.

Since fiscal 2012, all restricted share awards granted to our named executive officers have been 100% performance-based. This further reflects the Committee's philosophy of aligning executive compensation with the financial performance of the Company, and motivating executives, by providing a substantial portion of our executives' compensation in the form of performance-based compensation. We believe the Company is included in a small minority of public companies that has granted exclusively performance-based equity awards to its named executive officers in recent years.

The Committee believes that equity-based compensation provides an incentive that focuses the executive's attention on managing our Company from the perspective of an owner with an equity stake in the business. In determining the amount of equity-based compensation to be awarded to our named executive officers, the Compensation Committee takes into consideration, among other things, the level of the officer's responsibility, performance of the officer, other compensation elements and the amount of previous equity grants awarded to the individual. In addition, with respect to recruiting an executive officer to join our Company, the amount of equity consideration may be negotiated to reflect the amount necessary to hire the desired person. The largest grants are generally awarded to the most senior officers who, in the view of the Compensation Committee, have the greatest potential to have an impact on our profitability, growth and financial position.

Pursuant to our 2016 Equity Incentive Plan (the "Incentive Plan"), which was approved by shareholders at our 2016 annual meeting of shareholders, as of October 1, 2018 there were 1,495,834 shares of our common stock reserved for issuance. The Compensation Committee believes that the Incentive Plan allows our Company to attract and retain executive management by providing them with appropriate equity-based incentives and rewards for superior performance.

On December 20, 2017, Messrs. Kramer and Mehmel received restricted stock grants which vest on December 20, 2021 if the Company's stock price reaches \$25.08 for thirty consecutive trading days on or prior to December 20, 2021. Mr. Kramer received a grant with a target amount of 360,000 shares, and

Mr. Mehmel received a grant with a target amount of 120,000 shares. Additional terms of the grant are as follows:

If the \$25.08 stock price level is not attained for thirty consecutive trading days ending on or prior to December 20, 2021, the entire stock grant is forfeited

If the \$25.08 stock price level is attained, the number of shares to vest is then subject to a TSR (total shareholder return) modifier, as follows:

If the Company's TSR as measured from December 20, 2017 to December 20, 2021 (the performance period) is in the top 25% of the TSRs of all companies in the Russell 2000 Index as measured over the performance period, the number of shares to vest will be increased by 10%

If the Company's TSR as measured over the performance period is in the bottom 25% of the TSRs for all companies in the Russell 2000 Index as measured over the performance period, the number of shares to vest will be decreased by 20%

If the Company's TSR as measured over the performance period is between the 25th and 50th percentile, or between the 50th and 75th percentile, as compared to the TSRs of all companies in the Russell 2000 Index as measured over the performance period, linear interpolation will be used to determine the percentage decrease (between -20% and 0%) or increase (between 0% and +10%) in the number of shares to vest (note this interpolation results in no adjustment if the Company's performance is at the 50th percentile)

In selecting stock price as the performance metric for the equity grants to Messrs. Kramer and Mehmel, the Committee considered that stock price has the most direct and measurable correlation with shareholder value, and also considered the benefit of using a mix of performance metrics as a basis for the payment of incentive compensation to Messrs. Kramer and Mehmel. In adopting the TSR modifier, the Committee took note that this would mitigate the extent to which stock price is impacted purely by market conditions as opposed to changes in the Company's stock price resulting from the Company's performance. Finally, in setting the stock price levels required for the threshold and target number of shares to vest, the Committee considered that a substantial percentage increase in the Company's stock price (20%) would be required from the grant date to reach these levels. The \$25.08 stock price also represents a 36% increase from the volume weighted average price (VWAP) of Griffon common stock over the period November 30, 2014 through November 30, 2017 (\$18.50), and a 58% percent increase from the VWAP of Griffon common stock over the period November 30, 2012 through November 30, 2017 (\$15.85).

In order to mitigate any incentive for excessive risk taking, the Compensation Committee restricted the recipients from selling the shares for two years after they vest. These awards are subject to earlier vesting at the target level in the event of death or disability, or in the event of a termination without cause (or by the executive for good reason) in connection with a change in control of the Company. In the event of a termination without cause (or by the executive for good reason) other than in connection with a change of control, the award is subject to early vesting on a pro rata basis (but only to the extent the stock price performance condition has been met by the date of termination).

The structure of the annual restricted share awards granted to Messrs. Kramer and Mehmel in fiscal 2017 and fiscal 2016 reflects the principles summarized above, with the vesting and size of the awards being dependent on absolute and relative increases in the Company's stock price and the executive being subject to a post-vesting holding period. The target stock price for the 2017 grant is \$30.00 per share,

and the 2016 grant was structured so that one-half of the shares will vest at a price of \$22.00 and one-half of the shares will vest at \$25.00 (with interpolation to be used if the highest stock price achieved is between \$22.00 and \$25.00). These grants are described in more detail in the Outstanding Equity Awards at Fiscal 2018 Year-End table, and the related footnotes, on page 45 below. Due to the performance hurdles necessary for vesting of each of these awards, the current economic value of each of these awards is substantially lower than the economic value of these awards at the time of grant. The Compensation Committee reviews the actual economic value of restricted share awards granted to the NEOs from time to time in order to assess the ongoing effectiveness of these awards as a retention tool. The chart below shows a comparison between:

the economic value of the 2016, 2017 and 2018 restricted share awards granted to Mr. Kramer as of the grant date of each award, and
the economic value of these awards as of November 30, 2018.

The grant date economic value was determined based on a Monte Carlo simulation, which is a methodology that generates a large number of possible outcomes with respect to the variables that will determine the ultimate value of the restricted share grant in this case, Griffon's stock price over the performance period and the TSR of the companies in the Russell 2000 index. This results in a grant date economic value that is discounted from the full value of a share of Griffon stock on the grant date, to reflect both the likelihood that the stock price target will be achieved, and how the TSR performance of Griffon stock is likely to compare to that of the companies in the Russell 2000 index. The grant date economic value was also discounted to reflect the two year post-vesting holding period. The grant date economic value, which is the value that was ascribed for accounting purposes, appears in the Summary Compensation Table on page 43 below under the heading Stock Awards. The values as of November 30,

2018 for the 2018 grant, the 2017 grant and the unearned shares from the 2016 grant were also determined based on a Monte Carlo simulation, which results in a lower value per share due to the reduced likelihood that the stock price target will be achieved (based on the November 30, 2018 stock price and the time remaining to achieve the applicable stock price target). The value of the earned shares, which are the shares with respect to which the stock price performance target has already been met, is based on the \$12.16 closing price on November 30, 2018.

On November 14, 2017, Mr. Harris and Mr. Kaplan were each granted 28,986 and 26,570 shares, respectively, of restricted stock. Subject to the executive's continued employment, all shares subject to the award will vest on November 30, 2020 if Company consolidated EBITDA is equal to or greater than \$181.9 million in at least one of fiscal 2018, 2019 or 2020. This EBITDA target reflects adjustments made to account for the exclusion of the financial results of the Plastics business and the inclusion of the financial results of the CornellCookson business. If the EBITDA performance condition is not attained, the restricted shares will be forfeited. These restricted shares are subject to earlier vesting if, within two years after a change in control, the executive is terminated without cause or leaves for good reason.

In addition, on November 13, 2018, Mr. Harris and Mr. Kaplan were granted 49,342 and 45,230 shares, respectively, of restricted stock that will vest, subject to the executive's continued employment, on November 30, 2021 if, and only if, Company consolidated EBITDA is equal to or greater than \$185 million in at least one of fiscal 2019, 2020 or 2021. Similar to the grants made in 2017, if the EBITDA performance condition is not attained, the restricted shares will be forfeited. These restricted shares are subject to earlier vesting if, within two years after a change in control, the executive is terminated without cause or leaves for good reason.

The Compensation Committee determined to grant the equity awards described above to each of Messrs. Kramer, Mehmel, Harris and Kaplan (i) based on a subjective analysis of the executive's performance, (ii) to provide enhanced retention and motivation for the executive, (iii) to reflect the Company's philosophy that a substantial portion of the compensation of its senior executives should be performance-based, (iv) to align the interests of our named executive officers more closely with the interests of our shareholders, and (v) as a measure of compensation risk to management in that it requires the executive to remain with the Company for a significant period of time before vesting in the equity award and effectively subjects the executive to the same share value risks to which our stockholders are subject during the cliff vesting period.

The Compensation Committee believes that the Company generally benefits from the retention and risk mitigation elements provided by a multi-year cliff vesting period (in addition to our performance vesting requirements and conditions), and has determined that cliff vesting, rather than pro-rata annual vesting, better aligns an executive's compensation interests with the longer-term business strategies and tactics of the Company over the vesting period. The Committee also believes that cliff-vesting (in addition to our performance vesting requirements and conditions), reduces the motivation to engage in short-term strategies that may increase the Company's share price in the near term but may not create the best foundation for maximizing long-term stockholder value. The long-term vesting requirement is therefore also considered a disincentive to excessive risk taking by management as any adverse consequences of such risks would be reflected in the value of the equity awards by the time those awards vest. **Accordingly, all restricted share awards granted to executives since fiscal 2012 provide for a multi-year cliff vesting period that is generally at least three years (in addition to our performance vesting requirements and conditions).**

Retirement, Health and Welfare Benefits and Other Perquisites. Our executive officers are entitled to participate in the employee benefit plans made available to our employees generally, including medical, dental, vision, group life, disability, accidental death and dismemberment insurance and our 401(k) Retirement Plan and the ESOP. We provide vacation and paid holidays to our executive officers. We provide additional medical benefits to our named executive officers pursuant to supplemental health insurance plans that cover certain medical expenses not covered by our primary health insurance plan available to our employees generally. We also provide certain of our executive officers with a leased car, car allowance, long-term care insurance and/or additional life insurance not available to our employees generally. We provide these perquisites to Messrs. Kramer, Mehmel, Harris and Kaplan pursuant to the terms of their respective employment agreements and as a means to retain their services. We also reimburse Mr. Mehmel for certain financial, investment, estate planning, tax and insurance consulting services. See the Summary Compensation Table for details regarding the value of perquisites received by our executive officers. We also provide Mr. Kramer a Company car and driver pursuant to the terms of Mr. Kramer's employment agreement; to the extent Mr. Kramer utilizes this service for personal use, the value is reflected in the Summary Compensation Table.

Employee Stock Ownership Plan. The Company has maintained an Employee Stock Ownership Plan (ESOP) since 1983. All of our U.S. employees who work 1,000 or more hours per year (a Year of Service), including our NEOs, are eligible to participate in the ESOP, except those who are members of a collective bargaining unit. Annual contributions are made to the ESOP in such amounts as the Company's Board of Directors may determine in its discretion, although the Company will at a minimum make contributions sufficient to permit the ESOP to remit the scheduled debt repayments on its outstanding loan (discussed below). Contributions to the ESOP are invested primarily in the Company's common stock.

The ESOP, through its trustee, currently Wells Fargo Bank, N.A. (the Trustee), may borrow funds for the purpose of purchasing Company common stock. The shares purchased from such borrowings are held in a suspense account as collateral for the loan. When payments of principal and interest on such a loan is made, a number of shares of such Company common stock acquired through such loan (based on the portion of principal and interest paid) are released from the suspense account and allocated to eligible participants at the end of the applicable plan year. Eligible participants are those employees who (i) are employed by the Company on the last day of the plan year and have completed a Year of Service in the plan year, or (ii) terminated employment during the plan year due to attainment of age 65, death or disability during the plan year. Generally, the number of shares allocated to a participant for a plan year is based on the ratio of the participant's compensation for the plan year to the total compensation for the plan year of all eligible participants. Participants vest in the contributions made on their behalf over time and become 100% vested after two Years of Service. No contributions are required of, nor accepted from, any employee. Historically, the amount of the Company's annual contributions to the ESOP have solely been the amount necessary to satisfy the ESOP's obligations for such plan year with respect to the ESOP's outstanding third party loans.

The ESOP currently has a loan agreement outstanding, the proceeds of which were used to purchase our common stock. The loan is guaranteed by Griffon and is being repaid in quarterly installments through March 2020 (with a balloon payment due at maturity). As of November 30, 2018, the ESOP had outstanding borrowings of \$34.7 million, and there were 5,608,501 shares of common stock in the ESOP, of which 3,131,116 were allocated to participant accounts and 2,477,385 were unallocated and held in the suspense account.

The Trustee is considered the stockholder for the purpose of exercising all owners' and stockholders' rights with respect to the Company's common stock held in the ESOP, except for voting

rights. Subject to the Trustee's fiduciary duties with respect to the ESOP, the Trustee will vote the shares held by the ESOP as follows:

shares that have been allocated to a participant's ESOP account (whether vested or unvested) for which voting instructions have been received are voted in accordance with such instructions;

shares that have been allocated to a participant's ESOP account for which voting instructions have not been received are voted in the same proportions as those votes cast by participants who have submitted voting instructions; and

shares that have not been allocated to a participant's account are voted in the same proportions as those votes cast with respect to shares allocated to participants' accounts.

Employment Agreements

In March 16, 2008, we entered into an employment agreement with Ronald J. Kramer, pursuant to which he became our Chief Executive Officer effective April 1, 2008. We entered into an amendment to this agreement with Mr. Kramer on each of February 3, 2011 and December 12, 2013. Pursuant to the terms of the employment agreement, as amended, Mr. Kramer's term of employment continues for three years from the date on which either party gives notice that the term of employment will not be further renewed. The employment agreement provided an initial annual base salary to Mr. Kramer of \$775,000, which is subject to discretionary increases. Under the employment agreement, Mr. Kramer received grants of restricted stock that have now vested, and is eligible for an annual cash bonus as determined by the Compensation Committee. Mr. Kramer is also entitled to receive severance payments upon termination of his employment under certain circumstances, as more fully described below under "Potential Payments Upon Termination or Change in Control."

On December 7, 2012, we entered into an employment agreement with Robert F. Mehmel, pursuant to which he became our President and Chief Operating Officer effective December 10, 2012. Under the employment agreement, Mr. Mehmel's initial term of employment was four years, and now automatically renews for successive one year periods unless either party provides appropriate notice of non-renewal to the other party. We provided an initial annual base salary to Mr. Mehmel of \$700,000 per annum, which is subject to discretionary increases. Mr. Mehmel is eligible for an annual cash bonus as determined by the Committee, with a target bonus amount not less than 100%, and a maximum bonus amount not less than 200%, of Mr. Mehmel's base salary. We also provided a grant of 300,000 performance-based restricted shares to Mr. Mehmel as an inducement grant necessary to recruit him, which has now vested. Upon termination of his employment under certain circumstances, Mr. Mehmel is also entitled to certain severance payments, as more fully described below under "Potential Payments Upon Termination or Change in Control."

On June 1, 2015 and July 30, 2015, we entered into an offer letter and severance agreement, respectively, with Brian G. Harris, pursuant to which he became our Senior Vice President and Chief Financial Officer effective August 1, 2015. Pursuant to these agreements, Mr. Harris' employment is on an at-will basis, and the terms of his severance agreement automatically renew for successive one-year periods unless either party provides appropriate notice of non-renewal to the other party. The offer letter provided for Mr. Harris to receive an initial annual base salary of \$340,000, subject to discretionary increases. Mr. Harris is eligible for an annual cash bonus, with a target of 50% of base salary. Under his severance agreement, Mr. Harris is entitled to receive severance payments upon termination of his employment under

certain circumstances, as more fully described below under Potential Payments Upon Termination or Change in Control.

On April 27, 2010, we entered into an employment agreement and severance agreement with Seth L. Kaplan, pursuant to which he became our Senior Vice President, General Counsel and Secretary effective on May 17, 2010. Pursuant to these agreements, Mr. Kaplan's employment is on an at-will basis, and the terms of his severance agreement automatically renew for successive one-year periods unless either party provides appropriate notice of non-renewal to the other party. The employment agreement provided for Mr. Kaplan to receive an initial annual base salary of \$312,500, subject to discretionary increases. Mr. Kaplan is eligible for an annual cash bonus with a target of 50% of base salary. Pursuant to his employment agreement, Mr. Kaplan received a restricted stock grant of 40,000 shares of common stock, which has now vested. Under his severance agreement, Mr. Kaplan is entitled to receive severance payments upon termination of his employment under certain circumstances, as more fully described below under Potential Payments Upon Termination or Change in Control.

With respect to the agreements described above, each of Messrs. Kramer, Mehmel, Kaplan and Harris has agreed to customary non-competition and non-solicitation provisions that extend for post-termination periods of twelve to eighteen months, as well as customary terms regarding the protection and confidentiality of our trade secrets, proprietary information and technologies, designs and inventions. With respect to terminations of employment following a change in control, a change in control is generally defined in these agreements to include, among other events, the acquisition by a person or entity of more than 30% of the voting securities of our Company, the current Board of Directors no longer constituting a majority of the Board (directors approved by the existing Board will be considered a part of the current Board), and certain merger or sale of assets transactions. Pursuant to the agreements described above, we provide certain prerequisites to our named executive officers, as described above under *Retirement, Health and Welfare Benefits and Other Perquisites* and as reflected in the Summary Compensation Table.

Stock Ownership Guidelines

In November 2010, we adopted stock ownership guidelines which require that our executive officers acquire, over time, a certain number of shares of our common stock. These stock ownership guidelines were amended in 2012. Under the Company's stock ownership guidelines, as amended:

the target number of shares for compliance is stated in a dollar amount the executive is required, within three years of the adoption of the policy (or, for future executive officers, within three years of assuming such position with the Company), to reach the target dollar value through ownership of shares of common stock and to retain the target amount of shares until termination of service the target dollar value is as follows:

Position	Target Dollar Value
CEO	5x Salary
COO	4x Salary
CFO	3x Salary
Other Executive Officers	2x Salary
Business Unit Presidents	2x Salary

until the target dollar value has been reached, the executive must retain all net shares received under any Company equity compensation program (net shares means all shares net of taxes and, in the case of options, exercise price) testing for compliance is done quarterly

once the executive holds the target dollar value as of a testing date, he is deemed to be in compliance with the policy so long as he continues to hold at least the number of shares he held as of that testing date

the following shares count toward reaching the applicable guideline amount:

restricted shares granted under our equity incentive plans

shares held by an investment fund or other investment vehicle with which the executive is affiliated

shares held by a parent, child or grandchild of the executive, or by a trust or other entity established for any such family members, so long as the executive retains the power to dispose of the shares

if an executive fails to be in compliance within the applicable three year period, this can be considered by the Compensation Committee in determining future equity awards

Under these guidelines, each of our executive officers, and business unit presidents, holds shares with a value greater than the applicable target dollar value. If, at the end of the initial three-year period, an executive does not hold shares with the requisite target value, he is restricted from selling any shares received under our equity plans (net of shares that may be used to pay taxes and, in the case of options, exercise price). We monitor compliance with the guidelines on a periodic basis. Our Stock Ownership Guidelines apply to directors as well, as described below in the discussion of director compensation.

Mr. Kramer, our Chief Executive Officer, holds over 2,000,000 shares of our common stock, which is well in excess of his target number of shares under our stock ownership guidelines of over 400,000. Mr. Kramer acquired a substantial portion of his over 2,000,000 shares through investment of his personal assets.

Policy Against Pledging and Hedging Company Securities

Our Policy on Insider Trading prohibits our directors, officers, business unit Presidents and certain other key employees from (i) pledging company securities, (ii) engaging in hedging or monetization transactions that allow the person to lock in the value of his company security holdings, and (iii) purchasing company securities on margin or holding company securities in a margin account. Because these types of activities could result in a sale of company securities at a time when the director or employee has material, inside information, or could create a situation in which a director or employee owns company securities without the full risks and rewards of ownership, our Board believes it prudent to prohibit our directors, officers and key employees from entering into these types of transactions. All directors and officers have indicated they are in compliance with this policy.

Clawback Policy; Potential Impact on Compensation from Executive Misconduct

Under our Incentive-Based Compensation Clawback Policy, if we are required to prepare an accounting restatement due to material noncompliance with the financial reporting requirements under U.S. securities laws, the Company shall be entitled to recover (and shall seek to recover), from our executive

officers, any excess incentive-based compensation received by our executive officers during the three year period prior to the date on which we are required to prepare the restatement. This policy applies to both equity-based and cash compensation awards. The excess compensation is the difference between the actual amount that was paid, and the amount that would have been paid if the financial statements were prepared properly in the first instance. As one means of enforcing the Clawback Policy, we have added a clawback provision to the form of agreement used for equity grants to our executive officers.

In addition, if the Board or an appropriate committee of the Board determines that an officer has engaged in fraudulent or intentional misconduct, we are authorized to take action to remedy the misconduct, prevent its recurrence, and impose appropriate discipline on the individual who engaged in the misconduct. Discipline would vary depending on the facts and circumstances, and may include termination of employment and initiating an action for breach of fiduciary duty. These remedies are in addition to any other remedies available to us or imposed by law enforcement agencies, regulators or other authorities.

Tax Implications

Internal Revenue Code Section 162(m) prevents publicly traded companies from receiving a tax deduction on certain compensation in excess of \$1 million for each covered executive officer in any taxable year. Until 2018, compensation that was performance-based under the Internal Revenue Code's definition was exempt from this limit. On December 22, 2017, the Tax Cuts and Jobs Act was signed into law, and one of its provisions eliminated the performance-based exception for compensation in excess of \$1 million under Section 162(m). In addition, under prior tax law, an individual would no longer be considered a covered executive under Section 162(m) if the individual was no longer classified as a named executive officer; however, under the new tax law, once a person is identified as a named executive officer, he will then permanently be considered to be a covered executive (and therefore subject to the \$1 million deductibility limit).

The new tax law provides that certain compensation arrangements that were subject to a binding agreement between the Company and the executive as of November 2, 2017 are grandfathered, and thus the performance-based exception continues to apply to such arrangements. We believe that all of our outstanding performance-based restricted stock grants meet the grandfather requirements, and therefore that all compensation expense relating to our outstanding performance-based restricted stock grants will be deductible without limitation. We do not believe that any of our other outstanding compensation arrangements fall within the grandfather exemption.

Our policy with respect to compensation paid to our covered executive officers is that compensation will generally be designed consistent with our compensation philosophy and with the intent of providing appropriate incentives to attract, retain, motivate and reward our executives. Although the Compensation Committee will consider the tax impact of compensation to our executives and to the Company when designing our compensation programs, non-deductible compensation will be paid to covered executives when our Compensation Committee determines that providing such compensation is in the best interests of the Company.

The Compensation Committee believes that each executive should be responsible for the taxes payable with respect to such executive's compensation. As stated above, the Compensation Committee has established a policy against providing tax gross-ups to executives, with limited exceptions for housing and other relocation expenses and expatriate tax equalization. We do not provide any tax gross-up benefits in any of the compensation arrangements for our named executive officers.

EQUITY COMPENSATION PLAN INFORMATION

The following sets forth information relating to our equity compensation plans as of September 30, 2018:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (2)	(b) Weighted- average exercise price of outstanding options, warrants and rights (2)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (1)	350,000	\$ 20.00	1,145,834
Equity compensation plans not approved by security holders			

- (1) Excludes restricted shares and restricted stock units issued in connection with our equity compensation plans; as of September 30, 2018, 2,849,828 unvested shares of restricted stock have been awarded under our equity compensation plans and remain subject to certain forfeiture conditions. The total reflected in column (c) includes shares available for grant as any equity award under the Incentive Plan.
- (2) A stock option to purchase 350,000 shares at an exercise price of \$20.00 expired on October 1, 2018.

COMPENSATION COMMITTEE REPORT

We have reviewed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with the Company's management. Based on such review and discussion, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2018.

Compensation Committee

Henry A. Alpert (Chairman)

Blaine V. Fogg

Rear Admiral Robert G. Harrison
(USN Ret.)

Cheryl L. Turnbull*

* Ms. Turnbull became a member of the Compensation Committee on July 31, 2018.

Summary Compensation Table

The following table sets forth all compensation for the fiscal years ended September 30, 2018, 2017 and 2016 awarded to or earned by our principal executive officer, principal financial officer and each of our other executive officers. We refer to these individuals as our named executive officers or NEOs.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)(2)	Non-Equity Incentive Plan	All Other Compensation	Total(\$)
					Compensation (\$)(3)	(\$)(4)	
Ronald J. Kramer Chairman and Chief Executive Officer	2018	1,046,013	2,250,000	5,256,000	5,509,939	317,994	14,379,946
	2017	1,015,550		6,328,800	4,623,373	299,444	12,267,167
	2016	985,983		3,088,800	5,091,872	249,793	9,416,448
Robert F. Mehmel President and Chief Operating Officer	2018	920,399	1,125,000	1,752,000	1,377,485	145,361	5,320,245
	2017	845,050		2,109,600	1,155,843	140,451	4,250,944
	2016	780,000		1,158,300	1,272,968	77,012	3,288,280
Brian G. Harris Senior Vice President and Chief Financial Officer	2018	401,042	806,000	600,010		99,549	1,906,601
	2017	379,200	360,000	549,994		78,701	1,367,895
	2016	348,500	325,000	450,003		56,352	1,179,855
Seth L. Kaplan Senior Vice President, General Counsel and Secretary	2018	384,375	726,000	549,999		105,335	1,765,729
	2017	372,550	335,000	549,994		90,655	1,348,199
	2016	358,550	315,000	550,007		35,894	1,259,451

- (1) In the case of Messrs. Kramer and Mehmel, reflects the cash transaction bonus paid in recognition of the extraordinary result obtained, and efforts expended, in connection with the sale of Griffon's Clopay Plastics business to Berry Global, Inc. for \$475,000,000 in cash on February 6, 2018. With respect to Messrs. Harris and Kaplan, includes annual cash bonuses in respect of fiscal year 2018 of \$456,000 and \$426,000, respectively, and cash transaction bonuses paid relating to the sale of the Clopay Plastics business of \$350,000 and \$300,000, respectively.
- (2) Represents the aggregate grant date fair value of shares of restricted stock granted to the NEO during the applicable fiscal year, computed in accordance with FASB ASC Topic 718. These amounts do not correspond to the actual value that will be realized by the NEO. For additional information regarding the assumptions made in calculating these amounts, see Note 12, "Stockholders' Equity and Equity Compensation," to the consolidated financial statements, and the discussion under the heading "ACCOUNTING POLICIES AND PRONOUNCEMENTS - Stock-Based Compensation" in Management's Discussion and Analysis of Financial Condition and Results of Operations, each included in our Annual Report on Form 10-K for the year ended September 30, 2018.
- (3) Represents the amounts paid to Messrs. Kramer and Mehmel under our 2016 Performance Bonus Plan. For Mr. Kramer, the amount is composed of \$2,895,652 paid with respect to the long-term performance period October 1, 2015 through September 30, 2018, and \$2,614,287 paid with respect to the short term performance period October 1, 2017 through September 30, 2018. For Mr. Mehmel, the amount is composed of \$723,913 paid with respect to the long-term performance period October 1, 2015 through September 30, 2018, and \$653,572 paid

with respect to the short term performance period October 1, 2017 through September 30, 2018. For information regarding the determination of these amounts, see Compensation Discussion and Analysis Elements of Executive Compensation 2018 Annual Cash Incentive Bonuses and Compensation Discussion and Analysis Elements of Executive Compensation 2018 Long-Term Cash Incentive Bonuses.

- (4) All Other Compensation in fiscal 2018 includes (a) \$93,303, \$50,789, \$26,612, and \$38,696 paid by us for life insurance and long term care policies on Messrs. Kramer, Mehmel, Harris and Kaplan, respectively; (b) our contributions under a 401(k) Retirement Plan of \$11,000, \$11,000, \$9,250, and \$9,250 for each of Messrs. Kramer, Mehmel, Harris and Kaplan, respectively; (c) expenses paid by us related to automobile use in the amounts of \$144,545, \$37,090, \$33,945 and \$27,826 for each of Messrs. Kramer, Mehmel, Harris and Kaplan, respectively (which for Mr. Kramer includes an amount allocated to reflect the personal use by Mr. Kramer of a driver provided by the Company); (d) \$58,198, \$20,703, \$19,063 and \$19,063 paid by us for supplemental medical benefits for each of Messrs. Kramer, Mehmel, Harris and Kaplan, respectively; (e) Company contributions in the amounts of \$10,948, \$9,969, \$10,679 and \$10,520 allocated under our ESOP on behalf of Messrs. Kramer, Mehmel, Harris and Kaplan, respectively; and (f) \$15,810 paid by us to reimburse Mr. Mehmel for certain financial, investment, estate planning, tax and insurance consulting fees.

Grants of Plan-Based Awards-Fiscal 2018

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards(1)			All Other Stock Awards(2)	All Other Option Awards(3)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Thresh- hold (#)	Target (#)	Maximum (#)			
Ronald J. Kramer Chairman and Chief Executive Officer	12/20/17	1,050,000	2,100,000	3,466,667(2)	288,000	360,000	396,000(5)		5,256,000(6)	
Robert F. Mehmel President and Chief Operating Officer	12/20/17	262,500	525,000	866,667(2)	96,000	120,000	132,000(5)		1,752,000(6)	
Brian G. Harris Senior Vice President and Chief Financial Officer	11/14/17	300,000	650,000	1,000,000(3)		28,986(6)			600,010(6)	
Seth L. Kaplan Senior Vice President, General Counsel and Secretary	11/14/17		200,000	(4)		26,570(6)			549,999(6)	

(1)

Dividends paid on shares underlying a restricted stock award during the period such award is outstanding and unvested are paid when and to the extent that such restricted stock award vests.

- (2) Represents annual cash bonus award opportunities under the 2016 Performance Bonus Plan (based on certain EBITDA and working capital performance levels) for the fiscal year ended September 30, 2018.
- (3) Represents long-term cash bonus award opportunities established by the Committee under the 2016 Performance Bonus Plan (based on the Company's aggregate Core EPS) for the period commencing October 1, 2017 and ending September 30, 2020. For purposes of the award, Core EPS means the fully diluted earnings per share of the Company for the performance period prepared in accordance with GAAP, adjusted for the impact of certain items such as changes in accounting principles, costs and expenses incurred in connection with financings, corporate restructuring charges, corporate acquisition expenses, dispositions, discrete tax items and any other similar non-recurring items, to the extent a substantial portion of the economic impact of any such item is realized over a period that extends beyond the performance period and is unrelated to operations.
- (4) Represents long-term cash bonus award opportunities established by the Committee under the 2016 Performance Bonus Plan for the period commencing October 1, 2017 and ending September 30, 2019. These cash bonuses will be paid if, and only if, the aggregate consolidated EBITDA of the ClosetMaid business for the period October 1, 2017 to September 30, 2019 is at least \$50 million.
- (5) On December 20, 2017 Messrs. Kramer and Mehmel were granted awards with a target amount of 360,000 and 120,000 shares, respectively, of performance-based restricted stock that will vest, subject to the executive's continued employment, as to 100% of the target amount of shares on December 20, 2021 if the Company achieves a closing stock price of \$25.08 for a period of 30 consecutive trading days during the period commencing December 20, 2017 and ending December 20, 2021 (the performance period). In addition, the number of shares is subject to up to a ten percent increase, and up to a twenty percent decrease, based on the total shareholder return (TSR) of the Company compared to the TSR performance of all company stocks in the Russell 2000 during the performance period. This award is subject to earlier vesting at target in the event of death, disability or a termination by the Company without cause (or by the executive for good reason) within 24 months after a change in control of the Company; and in the event of a termination without cause (or by the executive for good reason) other than within 24 months after a change of control, the award is subject to early vesting on a pro rata basis (but only to the extent the stock price performance condition has been met to the date of termination).

(6) On November 14, 2017, Messrs. Harris and Kaplan received awards of 28,986 and 26,570 shares, respectively, of performance-based restricted stock that vest in full, subject to the executive's continued employment, on November 30, 2020 if, and only if, Company consolidated EBITDA is equal to or greater than \$181.9 million in at least one of fiscal 2018, 2019 or 2020. If the EBITDA performance condition is not attained, the restricted shares will be forfeited. These restricted shares are subject to earlier vesting if, within two years after a change in control (i) the executive is terminated without cause or due to death or disability, or (ii) the executive leaves for good reason.

Outstanding Equity Awards at Fiscal 2018 Year-End

The following table sets forth information with respect to the outstanding equity awards of the named executive officers as of September 30, 2018.

Name	Options Awards				Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(7)	
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Exercisable Options (#)	Number of Securities Underlying Options (#)	Exercise Price (\$)	Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(7)		Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)
Ronald J. Kramer	350,000			\$ 20.00	10/1/18	298,667(1)	4,823,472(1)	288,000(2)	4,651,200(2)
Chairman and Chief Executive Officer								288,000(3)	4,651,200(3)
Robert F. Mehmel						112,000(1)	1,808,800(1)	96,000(2)	1,550,400(2)
President and Chief Operating Officer								96,000(3)	1,550,400(3)
Brian G. Harris						26,072(4)	421,063(4)	28,986(5)	468,124(5)
						27,295(6)	440,814(6)		

Senior Vice President and Chief Financial Officer				
Seth L. Kaplan	31,866(4)	514,636(4)	26,570(5)	429,106(5)
Senior Vice President, General Counsel and Secretary	27,295(6)	440,814(6)		

- (1) On January 29, 2016 Messrs. Kramer and Mehmel were granted awards with a target amount of 400,000 and 150,000 shares, respectively, of performance-based restricted stock that will vest, subject to the executive's continued employment, as to 100% of the target amount of shares on January 29, 2020 if the Company achieves a closing stock price of \$25.00 for a period of 30 consecutive trading days during the period commencing January 29, 2016 and ending January 29, 2020 (the performance period), and as to 50% of the target amount of shares if the Company achieves a closing stock price of \$22.00 for a period of 30 consecutive trading days during the performance period. Interpolation will be used to determine the number of shares to vest in the event the highest 30 consecutive trading day price is between \$22.00 and \$25.000. In addition, the number of shares is subject to up to a ten percent increase, and up to a twenty percent decrease, based on the performance of the Company's stock price compared to that of the Russell 2000 during the performance period. On January 30, 2017 the Committee certified the achievement of the performance criteria with respect to 298,667 and 112,000 shares granted to Mr. Kramer and Mr. Mehmel, respectively.

- (2) On January 30, 2017 Messrs. Kramer and Mehmel were granted awards with a target amount of 360,000 and 120,000 shares, respectively, of performance-based restricted stock that will vest, subject to the executive's continued employment, as to 100% of the target amount of shares on January 30, 2021 if the Company achieves a closing stock price of \$30.00 for a period of 30 consecutive trading days during the period commencing January 30, 2017 and ending January 30, 2021. In addition, the number of shares is subject to up to a ten percent increase, and up to a twenty percent decrease, based on the total shareholder return (TSR) of the Company compared to the TSR performance of all company stocks in the Russell 2000 during this four year period. Therefore, the minimum (threshold) number of shares that could vest under these grants to Messrs. Kramer and Mehmel are 288,000 and 96,000 shares, respectively.
- (3) On December 20, 2017 Messrs. Kramer and Mehmel were granted awards with a target amount of 360,000 and 120,000 shares, respectively, of performance-based restricted stock that will vest, subject to the executive's continued employment, as to 100% of the target amount of shares on December 20, 2021 if the Company achieves a closing stock price of \$25.08 for a period of 30 consecutive trading days during the period commencing December 20, 2017 and ending December 20, 2021. In addition, the number of shares is subject to up to a ten percent increase, and up to a twenty percent decrease, based on the total shareholder return (TSR) of the Company compared to the TSR performance of all company stocks in the Russell 2000 during this four year period. Therefore, the minimum (threshold) number of shares that could vest under these grants to Messrs. Kramer and Mehmel are 288,000 and 96,000 shares, respectively.
- (4) On November 11, 2015, Messrs. Harris and Kaplan received awards of 26,072 shares and 31,866 shares, respectively, of performance-based restricted stock. On November 13, 2018, the Committee certified the achievement of the performance criteria with respect to these restricted share awards; the awards vested on November 30, 2018.
- (5) On November 14, 2017 Messrs. Harris and Kaplan received awards of 28,986 and 26,570 shares, respectively, of performance-based stock that vest, subject to the executive's continued employment, on November 30, 2020 if, and only if, Company consolidated EBITDA is equal to or greater than \$181.9 million in at least one of fiscal 2018, 2019 or 2020. If the performance target is not achieved, the restricted shares will be forfeited.
- (6) On November 15, 2016 Messrs. Harris and Kaplan each received an award of 27,295 shares of performance-based restricted stock. On November 13, 2018, the Committee certified the achievement of the performance criteria with respect to these restricted share awards; the awards will vest, subject to the executive continued employment, on November 30, 2019.
- (7) The value reflected is based upon the closing price per share of the common stock of \$16.15 on September 28, 2018.

Option Exercises and Stock Vested in Fiscal 2018

The following table sets forth information with respect to the number of options and shares of restricted stock granted to the named executive officers in previous years that were exercised or vested during the fiscal year ended September 30, 2018, as well as the value of the stock on the exercise or vesting date.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(1)
Ronald J. Kramer Chairman and Chief Executive Officer				

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Robert F. Mehmel President and Chief Operating Officer	100,000	2,335,000(2)
Brian G. Harris Senior Vice President and Chief Financial Officer	18,000	373,500(3)
Seth L. Kaplan Senior Vice President, General Counsel and Secretary	44,000	913,000(4)

(1) Value is based on the closing price of Griffon common stock on the date of vesting.

- (2) Represents the value of 100,000 shares of restricted stock granted on January 28, 2015, which shares vested on November 30, 2017.
- (3) Represents the value of 18,000 shares of restricted stock granted on November 11, 2014, which shares vested on November 13, 2017.
- (4) Represents the value of 44,000 shares of restricted stock granted on November 11, 2014, which shares vested on November 13, 2017.

Potential Payments Upon Termination or Change in Control

As described above under the section entitled "COMPENSATION DISCUSSION AND ANALYSIS" Employment Agreements, we have entered into employment agreements with Ronald J. Kramer, our Chief Executive Officer, and Robert F. Mehmel, our President and Chief Operating Officer, and severance agreements with Brian G. Harris, our Senior Vice President and Chief Financial Officer, and Seth L. Kaplan, our Senior Vice President, General Counsel and Secretary. These agreements provide for certain post-employment severance benefits in the event of employment termination under certain circumstances.

The following tables provide estimates of the potential severance and other post-termination benefits that Mr. Kramer, Mr. Mehmel, Mr. Harris and Mr. Kaplan would be entitled to receive assuming their respective employment was terminated as of September 30, 2018 for the reason set forth in each of the columns.

Ronald J. Kramer

Benefit	Termination Due to Death	Termination Due to Disability	Resignation for Good Reason or Termination by the Company Without Cause Prior to a Change in Control	Resignation for Good Reason or Termination by the Company Without Cause After a Change in Control
Salary (1)		\$ 1,051,115	\$ 2,102,230	\$ 3,153,345
Bonus (2)		\$ 5,214,591	\$ 10,429,182	\$ 17,143,773
Pro-Rata Bonus (3)		\$ 1,576,673		
Accelerated Restricted Stock Vesting (4)	\$ 18,088,000	\$ 18,088,000	\$ 4,846,957(5)	\$ 18,088,000
Value of health benefits provided after termination (6)		\$ 48,255	\$ 48,255	\$ 48,255
Modified 280G Cutback				(7)
Totals	\$ 18,088,000	\$ 25,978,634	\$ 17,426,624	\$ 38,433,373

- (1) Upon termination due to disability, Mr. Kramer is entitled to an amount equal to one times base salary, payable in 12 monthly installments. Upon a resignation for Good Reason or a termination by the Company without Cause, in each case other than within 24 months after a Change in Control, Mr. Kramer is entitled to an amount equal to two times base salary, payable in 12 monthly installments. Upon a resignation for Good Reason or a termination by the Company without Cause, in each case within 24 months after a Change in Control, Mr. Kramer is entitled to a lump sum payment equal to three times base salary.
- (2) Upon termination due to disability, Mr. Kramer is entitled to an amount equal to the highest bonus received by Mr. Kramer over the three-year period prior to the assumed termination date of September 30, 2018, payable in 12 monthly installments. Upon a resignation for Good Reason or a termination by the Company without Cause,

in each case other than within 24 months after a Change in Control, Mr. Kramer is entitled to an amount equal to two times such highest bonus, payable in 12 monthly installments. Upon a resignation for Good Reason or a termination by the Company without Cause, in each case within 24 months after a Change in Control, Mr. Kramer is entitled to a lump sum payment equal to three times such

highest bonus. Upon a resignation for Good Reason or a termination by the Company without Cause, in each case following a Change in Control, Mr. Kramer is also entitled to payment of the long-term cash bonus award with respect to the performance of the ClosetMaid business for the period October 1, 2017 through September 30, 2019 (as described in the Compensation Discussion and Analysis under the heading ClosetMaid Bonus Program, and in note 4 to the table of Grants of Plan-Based Award Fiscal 2018). If the Plastics transaction bonus awarded to Mr. Kramer in May 2018 of \$2,250,000 is added to the bonuses paid to Mr. Kramer of \$2,895,652 with respect to the long-term performance period fiscal 2016 through fiscal 2018 and \$2,614,287 with respect to the short term performance period fiscal 2018, this results in a total fiscal 2018 bonus amount of \$7,759,939; this total bonus amount would then be used in the calculation of the payments in the Bonus row in the chart above if Mr. Kramer's employment were terminated on a future date under circumstances as described in this footnote (2).

- (3) Upon a termination due to disability, Mr. Kramer is entitled to receive a pro-rata bonus based on an assumed target bonus equal to 150% of his then current salary for the year in which such termination occurs. Because the assumed termination date occurs on the last day of the fiscal year, the bonus reflected above is 150% of his full salary for the fiscal year. Such amount would be paid in a lump sum. Mr. Kramer may also be entitled to a pro-rata bonus in the event of a resignation for Good Reason or termination by the Company without Cause prior to or after a Change in Control; however, such pro-rata bonus would only be payable to the extent that the applicable performance targets were attained and the Compensation Committee did not exercise its negative discretion to reduce such bonus. Accordingly, such bonus is not set forth in the table above. If Mr. Kramer's \$5,509,939 bonus for fiscal year 2018 had been used in the calculation, the amount included above would be \$5,509,939.
- (4) Upon a termination due to death or disability at any time, Mr. Kramer's restricted stock awards will vest at target level. The value provided above is calculated based on a value of \$16.15 per share, the closing price of the Company's common stock on the last trading day of the 2018 fiscal year. The restricted stock awards granted to Mr. Kramer on January 29, 2016, January 30, 2017 and December 20, 2017 will vest at target levels if Mr. Kramer's employment is terminated within 24 months following a Change in Control by the Company without Cause or by Mr. Kramer for Good Reason, and, therefore, are reflected in the table above at the target level.
- (5) No portion of Mr. Kramer's January 29, 2016, January 30, 2017 or December 20, 2017 restricted stock awards will vest upon Mr. Kramer's resignation for Good Reason or a termination by the Company without Cause, in each case prior to a Change in Control, unless certain minimum performance conditions have been satisfied (as described above under the section entitled COMPENSATION DISCUSSION AND ANALYSIS Elements of Executive Compensation Equity-based Compensation). With respect to Mr. Kramer's January 29, 2016 restricted stock award, the performance conditions have been satisfied with respect to 298,667 shares, 80 percent of which would vest pro rata upon Mr. Kramer's resignation for Good Reason or a termination by the Company without Cause, in each case prior to a Change in Control. The value of the pro-rata portion of such 80 percent of the 298,667 shares that would be earned on the assumed termination date of September 30, 2018 is reflected in the table above. With respect to Mr. Kramer's January 30, 2017 and December 20, 2017 restricted stock awards, because the minimum performance conditions were not satisfied as of September 30, 2017, no amount is included in the table above for such awards.
- (6) The value of such benefits are determined based on the present value of the total estimated cost of providing health benefits to Mr. Kramer and his eligible dependents for 18 months after Mr. Kramer's termination of employment due to disability, by the Company without Cause or by Mr. Kramer for Good Reason.
- (7) Mr. Kramer's benefits and payments are subject to a modified cutback to eliminate any excise tax payable under section 4999 of the Code if the net after-tax amount (taking into account all applicable taxes payable by Mr. Kramer) that Mr. Kramer would receive with respect to such payments or benefits does not exceed the net after-tax amount Mr. Kramer would receive if the amounts of such payments and benefits were reduced to the maximum amount which could otherwise be payable to Mr. Kramer without the imposition of the excise tax. In respect of a termination occurring as of September 30, 2018, Mr. Kramer's benefits and payments would not be subject to an excise tax under Section 4999 of the Code. Accordingly, no cut-back would be imposed.

Robert F. Mehmel

Benefit	Termination Due to Death	Termination Due to Disability	Resignation for Good Reason or Termination by the Company Without Cause Prior to a Change in Control	Resignation for Good Reason or Termination by the Company Without Cause After a Change in Control
Salary (1)		\$ 699,764	\$ 1,399,529	\$ 2,332,548
Bonus (2)			\$ 1,866,230	\$ 3,860,383
Pro-Rata Bonus (3)	\$ 933,019	\$ 933,019		\$ 1,155,843
Accelerated Restricted Stock Vesting	\$ 6,298,500(4)	\$ 6,298,500(4)	\$ 1,722,950(5)	\$ 6,298,500(6)
Value of health benefits provided after termination (7)		\$ 27,308	\$ 48,255	\$ 64,324
Modified 280G Cutback				(8)
Totals	\$ 7,231,519	\$ 7,958,591	\$ 5,036,964	\$ 13,711,598

- (1) Upon a termination due to disability, Mr. Mehmel is entitled to nine month s salary continuation, payable in nine monthly installments. Upon a resignation for Good Reason or a termination by the Company without Cause, in each case other than within 24 months after a Change in Control, Mr. Mehmel is entitled to 18 month s salary continuation, payable in 18 monthly installments. Upon a resignation for Good Reason or a termination by the Company without Cause, in each case within 24 months after a Change in Control, Mr. Mehmel is entitled to a lump sum payment equal to two and a half times base salary.
- (2) Upon resignation for Good Reason or termination by the Company without Cause, in each case other than within 24 months after a Change in Control of the Company, Mr. Mehmel will receive a lump sum payment equal to one and a half times the average of the three bonuses Mr. Mehmel received in the three years prior to his assumed termination date. Upon resignation for Good Reason or termination by the Company without Cause, in each case within 24 months after a Change in Control of the Company, Mr. Mehmel is entitled to a lump sum payment equal to two and a half times the average of such three bonuses. Upon a resignation for Good Reason or a termination by the Company without Cause, in each case following a Change in Control, Mr. Mehmel is also entitled to payment of the long-term cash bonus award with respect to the performance of the ClosetMaid business for the period October 1, 2017 through September 30, 2019 (as described in the Compensation Discussion and Analysis under the heading ClosetMaid Bonus Program , and in note 4 to the table of Grants of Plan-Based Award Fiscal 2018). If the Plastics transaction bonus awarded to Mr. Mehmel in May 2018 of \$1,125,000 is added to the bonuses paid to Mr. Mehmel of \$723,913 with respect to the long-term performance period fiscal 2016 through fiscal 2018 and \$653,572 with respect to the short term performance period fiscal 2018, this results in a total fiscal 2018 bonus amount of \$2,502,485; this total bonus amount would then be used in the calculation of the payments in the Bonus row in the chart above if Mr. Mehmel s employment were terminated on a future date under circumstances as described in this footnote (2).
- (3) Upon a termination due to death or disability, Mr. Mehmel is entitled to receive a pro-rata bonus based on his target bonus for the year in which such termination occurs. Because the assumed termination date occurs on the last date of the fiscal year, the bonus reflected above is his full target bonus for the fiscal year. Such amount would be paid in a lump sum. Upon a termination within 24 months after a Change in Control by Mr. Mehmel for Good Reason or by the Company without Cause, Mr. Mehmel is entitled to receive a pro-rata bonus based on the higher of Mr. Mehmel s target bonus for the year in which such termination occurs or the bonus earned for

the preceding fiscal year. Because Mr. Mehmel's bonus for the 2017 fiscal year exceeds his target bonus for the 2018 fiscal year, and because the assumed termination date occurs on the last date of the 2018 fiscal year, the bonus reflected above is the full amount of Mr. Mehmel's bonus for the 2017 fiscal year. Such amount would be paid in a lump sum.

- (4) Upon a termination due to death or disability at any time, the restricted stock awards granted to Mr. Mehmel on January 29, 2016, January 30, 2017 and December 20, 2017 will vest at target levels. The value provided above is calculated based on a value of \$16.15 per share, the closing price of the Company's common stock on the last trading day of the 2018 fiscal year.
- (5) No portion of Mr. Mehmel's January 29, 2016, January 30, 2017 or December 20, 2017 restricted stock awards will vest upon Mr. Mehmel's resignation for Good Reason or a termination by the Company without Cause, in each case other than within 24 months following a Change in Control, unless certain minimum performance conditions have been satisfied (as described above under the section entitled "COMPENSATION DISCUSSION AND ANALYSIS - Elements of Executive

Compensation Equity-based Compensation). With respect to Mr. Mehmel's January 29, 2016 restricted stock award, the minimum performance conditions have been satisfied with respect to 112,000 shares, 80 percent of which would vest pro rata upon Mr. Mehmel's resignation for Good Reason or a termination by the Company without Cause, in each case prior to a Change in Control. The value of the pro-rata portion of such 80 percent of the 112,000 shares that would be earned on the assumed termination date of September 30, 2018 is reflected in the table above. With respect to Mr. Mehmel's January 30, 2017 and December 20, 2017 restricted stock awards, because the minimum performance conditions were not satisfied as of September 30, 2018, no amount is included in the table above for such awards.

- (6) Upon a resignation for Good Reason or a termination by the Company without Cause, in each case within 24 months following a Change in Control, the restricted stock awards granted to Mr. Mehmel on January 29, 2016, January 30, 2017 and December 20, 2017, will vest at target levels. The value provided is calculated based on a value of \$16.15 per share, the closing price of the Company's common stock on the last trading day of the 2018 fiscal year.
- (7) Mr. Mehmel and his eligible dependents will be provided health benefits (i) for nine months following his termination of employment due to disability; (ii) for 18 months following his resignation for Good Reason or termination by the Company without Cause, in each case other than within 24 months after a Change in Control; and (iii) until the earlier of December 31 of the second year following termination of employment and Mr. Mehmel's commencing employment with another employer in the case of a resignation for Good Reason or termination by the Company without Cause, in each case within 24 months after a Change in Control. The amounts set forth above represent the present value of the estimated cost of providing such health benefits.
- (8) Mr. Mehmel's benefits and payments are subject to a modified cutback to eliminate any excise tax payable under section 4999 of the Code if the net after-tax amount (taking into account all applicable taxes payable by Mr. Mehmel) that Mr. Mehmel would receive with respect to such payments or benefits does not exceed the net after-tax amount Mr. Mehmel would receive if the amounts of such payments and benefits were reduced to the maximum amount which could otherwise be payable to Mr. Mehmel without the imposition of the excise tax. In respect of a termination occurring as of September 30, 2018, Mr. Mehmel's benefits and payments would not be subject to an excise tax under Section 4999 of the Code. Accordingly, no cut-back would be imposed.

Brian G. Harris

Benefit	Termination Due to Death	Termination Due to Disability	Resignation for Good Reason or Termination by the Company Without Cause Prior to a Change in Control	Resignation for Good Reason or Termination by the Company Without Cause After a Change in Control
Salary (1)		\$ 202,125	\$ 606,375	\$ 1,010,625
Bonus				(2) \$ 1,066,667(3)
Pro-Rata Bonus (4)	\$ 202,125	\$ 202,125		\$ 360,000
Accelerated Restricted Stock Vesting				\$ 1,330,001(5)
Value of health benefits provided after termination (6)		\$ 18,997	\$ 48,255	\$ 64,324
Modified 280G Cutback				\$ (925,192)(7)
Totals	\$ 202,125	\$ 423,247	\$ 654,630	\$ 2,906,425

- (1) Upon a termination due to disability, Mr. Harris is entitled to six months salary continuation, payable in six monthly installments. Mr. Harris is entitled to continuation of base salary for 18 months following his resignation for Good Reason or termination by the Company without Cause, in each case other than within 24 months after a Change in Control. The base salary component of severance will be paid in 18 equal monthly installments. Mr. Harris is entitled to a lump sum payment equal to two and a half times base salary upon his resignation for Good Reason or termination by the Company without Cause, in each case within 24 months after a Change in Control.
- (2) Upon resignation for Good Reason or termination by the Company without Cause, in each case other than within 24 months after a Change in Control of the Company, Mr. Harris will receive a lump sum payment equal to the bonus he would otherwise have been paid for the year of such termination. The amount of the bonus, if any, Mr. Harris would receive in the year of such termination is subject to the discretion of the Compensation Committee. Accordingly, no amount is

included above. If Mr. Harris's \$456,000 bonus for fiscal year 2018 had been used in the calculation, the amount included above would be \$456,000.

- (3) Upon resignation for Good Reason or termination by the Company without Cause, in each case within 24 months following a Change in Control, Mr. Harris is entitled to a lump sum payment equal to two and a half times the average annual bonuses paid to him in the three-year period immediately prior to such termination. Upon a resignation for Good Reason or a termination by the Company without Cause, in each case following a Change in Control, Mr. Harris is also entitled to payment of the long-term cash bonus award with respect to the performance of the ClosetMaid business for the period October 1, 2017 through September 30, 2019 (as described in the Compensation Discussion and Analysis under the heading "ClosetMaid Bonus Program", and in note 4 to the table of Grants of Plan-Based Award Fiscal 2018). If the Plastics transaction bonus awarded to Mr. Harris in May 2018 of \$350,000 is added to the bonus paid to Mr. Harris of \$456,000 with respect to fiscal 2018, this results in a total fiscal 2018 bonus amount of \$806,000; this total bonus amount would then be used in the calculation of the payment in the last column of the "Bonus" row in the chart above if Mr. Harris's employment were terminated on a future date under circumstances as described in this footnote (3).
- (4) Upon termination due to death or disability, Mr. Harris is entitled to receive a pro-rata bonus based on his target bonus for the year in which such termination occurs. Because the assumed termination date occurs on the last date of the fiscal year, the bonus reflected above is his full target bonus for the fiscal year. Such amount would be paid in a lump sum. Upon resignation for Good Reason or termination by the Company without Cause, in each case within 24 months after a Change in Control, Mr. Harris is entitled to receive a pro-rata bonus based on the greater of Mr. Harris's target bonus for the year in which such termination occurs or the bonus earned for the preceding fiscal year. Because Mr. Harris's bonus for the 2017 fiscal year exceeds his target bonus for the 2018 fiscal year and because the assumed termination date occurs on the last date of the 2018 fiscal year, the bonus reflected above is the full amount of Mr. Harris's bonus for the 2017 fiscal year. Such amount would be paid in a lump sum.
- (5) Upon a termination due to death or disability, a resignation for Good Reason or a termination by the Company without Cause, in each case within 24 months after a Change in Control, all of Mr. Harris's unvested restricted stock awards will vest in full. In each case, the amount was calculated based on a value of \$16.15 per share, the closing price of the Company's common stock on the last trading day of the 2018 fiscal year.
- (6) Mr. Harris and his eligible dependents will be provided health benefits (i) for six months following his termination of employment due to disability; (ii) for 18 months following his resignation for Good Reason or termination by the Company without Cause, in each case other than within 24 months after a Change in Control; and (iii) until December 31 of the second calendar year following termination of employment in the case of a resignation for Good Reason or termination by the Company without Cause, in each case within 24 months after a Change in Control. The amounts set forth above represent the present value of the estimated cost of providing such health benefits.
- (7) Mr. Harris's benefits and payments are subject to a modified cutback to eliminate any excise tax payable under section 4999 of the Code if the net-after tax amount (taking into account all applicable taxes payable by Mr. Harris) that Mr. Harris would receive with respect to such payments or benefits does not exceed the net after-tax amount Mr. Harris would receive if the amounts of such payments and benefits were reduced to the maximum amount which could otherwise be paid to Harris without the imposition of the excise tax. In respect of a termination occurring as of September 30, 2017, Mr. Harris would receive a greater benefit by having such payments and benefits reduced rather than paying the excise tax. The amount included above (which reduces the total for the column) is the amount by which such payments and benefits must be reduced in order for Mr. Harris to avoid paying the excise tax. If payments were calculated taking into consideration certification of the achievement of performance goals related to Mr. Harris's November 11, 2015 and November 15, 2016 restricted stock grants (which certification occurred after the end of fiscal year 2018), then no cutback would apply and the amount set forth above would be zero.

Seth L. Kaplan

Benefit	Termination Due to Death	Termination Due to Disability	Resignation for Good Reason or Termination by the Company Without Cause Prior to a Change in Control	Resignation for Good Reason or Termination by the Company Without Cause After a Change in Control
Salary (1)		\$ 193,125	\$ 579,375	\$ 965,625
Bonus			(2)	\$ 987,500(3)
Pro-Rata Bonus (4)	\$ 193,125	\$ 193,125		\$ 335,000
Accelerated Restricted Stock Vesting				\$ 1,384,556(5)
Value of health benefits provided after termination (6)		\$ 11,886	\$ 30,192	\$ 40,246
Modified 280G Cutback				(7)
Totals	\$ 193,125	\$ 398,136	\$ 609,567	\$ 3,712,927

- (1) Upon a termination due to disability, Mr. Kaplan is entitled to six months salary continuation, payable in six monthly installments. Mr. Kaplan is entitled to continuation of base salary for 18 months following his resignation for Good Reason or termination by the Company without Cause, in each case other than within 24 months after a Change in Control. The base salary component of severance will be paid in 18 equal monthly installments. Mr. Kaplan is entitled to a lump sum payment equal to two and a half times base salary upon his resignation for Good Reason or termination by the Company without Cause, in each case within 24 months after a Change in Control.
- (2) Upon resignation for Good Reason or termination by the Company without Cause, in each case other than within 24 months after a Change in Control of the Company, Mr. Kaplan will receive a lump sum payment equal to the bonus he would otherwise have been paid for the year of such termination. The amount of the bonus, if any, Mr. Kaplan would receive in the year of such termination is subject to the discretion of the Compensation Committee. Accordingly, no amount is included above. If Mr. Kaplan's \$426,000 bonus for fiscal year 2018 had been used in the calculation, the amount included above would be \$426,000.
- (3) Upon resignation for Good Reason or termination by the Company without Cause, in each case within 24 months following a Change in Control, Mr. Kaplan is entitled to a lump sum payment equal to two and a half times the average annual bonuses paid to him in the three-year period immediately prior to such termination. Upon a resignation for Good Reason or a termination by the Company without Cause, in each case following a Change in Control, Mr. Kaplan is also entitled to payment of the long-term cash bonus award with respect to the performance of the ClosetMaid business for the period October 1, 2017 through September 30, 2019 (as described in the Compensation Discussion and Analysis under the heading "ClosetMaid Bonus Program", and in note 4 to the table of Grants of Plan-Based Award - Fiscal 2018). If the Plastics transaction bonus awarded to Mr. Kaplan in May 2018 of \$300,000 is added to the bonus paid to Mr. Kaplan of \$426,000 with respect to fiscal 2018, this results in a total fiscal 2018 bonus amount of \$726,000; this total bonus amount would then be used in the calculation of the payment in the last column of the "Bonus" row in the chart above if Mr. Kaplan's employment were terminated on a future date under circumstances as described in this footnote (3).
- (4) Upon termination due to death or disability, Mr. Kaplan is entitled to receive a pro-rata bonus based on his target bonus for the year in which such termination occurs. Because the assumed termination date occurs on the last

date of the fiscal year, the bonus reflected above is his full target bonus for the fiscal year. Such amount would be paid in a lump sum. Upon resignation for Good Reason or termination by the Company without Cause, in each case within 24 months after a Change in Control, Mr. Kaplan is entitled to receive a pro-rata bonus based on the greater of Mr. Kaplan's target bonus for the year in which such termination occurs or the bonus earned for the preceding fiscal year. Because Mr. Kaplan's bonus for the preceding fiscal year exceeds his target bonus for the year in which such termination occurs and because the assumed termination date occurs on the last date of the fiscal year, the bonus reflected above is the full amount of Mr. Kaplan's bonus for the preceding fiscal year. Such amount would be paid in a lump sum.

- (5) Upon a termination due to death or disability, a resignation for Good Reason or a termination by the Company without Cause, in each case within 24 months after a Change in Control, all of Mr. Kaplan's unvested restricted stock awards will vest in full. In each case, the amount was calculated based on a value of \$16.15 per share, the closing price of the Company's common stock on the last trading day of the 2018 fiscal year.

- (6) Mr. Kaplan and his eligible dependents will be provided health benefits (i) for six months following his termination of employment due to disability; (ii) for 18 months following his resignation for Good Reason or termination by the Company without Cause, in each case other than within 24 months after a Change in Control; and (iii) until December 31 of the second calendar year following termination of employment in the case of a resignation for Good Reason or termination by the Company without Cause, in each case within 24 months after a Change in Control. The amounts set forth above represent the present value of the total estimated cost of providing such health benefits.
- (7) Mr. Kaplan's benefits and payments are subject to a modified cutback to eliminate any excise tax payable under section 4999 of the Code if the net-after tax amount (taking into account all applicable taxes payable by Mr. Kaplan) that Mr. Kaplan would receive with respect to such payments or benefits does not exceed the net after-tax amount Mr. Kaplan would receive if the amounts of such payments and benefits were reduced to the maximum amount which could otherwise be paid to Kaplan without the imposition of the excise tax. In respect of a termination occurring as of September 30, 2018 Mr. Kaplan's benefits and payments would not be subject to an excise tax under Section 4999 of the Code. Accordingly, no cut-back would be imposed

CEO Pay Ratio

Applicable SEC rules require the disclosure of our median employee's pay and the ratio of our CEO's pay to the median employee's pay. Mr. Kramer's pay for fiscal 2018, as indicated in our 2018 Summary Compensation Table, was \$14,379,946, and the fiscal 2018 pay of our median employee, determined in the manner set forth below, was \$43,303. The ratio of Mr. Kramer's pay to our median employee's pay as determined under applicable SEC rules is therefore 332:1.

In determining our median employee, we used annual taxable earnings for calendar year 2017 as our compensation definition, which we gathered from payroll records. For any foreign country in which the latest period for which annual taxable earnings was calculated was not calendar year 2017, we used the most recent annual period. We did not utilize cost-of-living adjustments. We annualized pay for permanent employees who commenced work during 2017. In addition, in selecting the median employee, we used our global employment roster (other than our CEO) as of June 30, 2018. We did not exclude any employees in a foreign country. Our total number of employees as of the determination date was 7,222, with U.S. employees totaling 5,581 and employees in a foreign country totaling 1,641. Approximately one-third of these employees are salaried and approximately two-thirds of these employees, including the person who was determined to be the median employee, are paid on an hourly basis.

Our CEO pay ratio is a reasonable estimate calculated consistent with applicable SEC guidance governing the permitted use of estimates and adjustments.

Directors Compensation

In January 2018, following consultation with our independent compensation consultant, we adopted a revised director compensation program to ensure that we compensate our directors in line with market practice.

Directors who are not our employees receive a base annual retainer fee of \$50,000 and a fee of \$1,500 for each Board of Directors meeting attended. Audit Committee members receive \$2,500 for each committee meeting attended and members of each other committee receive \$1,500 for each committee meeting attended. Our lead independent director receives an additional fee of \$20,000 per annum. The chair of each of our audit, compensation, finance, and nominating and corporate governance committees receives an additional fee per annum of \$20,000, \$15,000, \$10,000 and \$10,000, respectively. All of these fees are paid to our non-employee directors in cash. Directors who are employees are not eligible to receive director fees.

Upon initial election to the Board and at the time of the annual meeting of stockholders each year, each non-employee director receives a grant of restricted shares of our common stock with a value of \$90,000, which shares vest over a period of three years in equal annual installments.

Our stock ownership guidelines, which are described above, apply to our directors in the same manner as they apply to our executive officers. Each director is expected to acquire, within three years of joining the Board, shares of Griffon's common stock equal in value to three times the base annual retainer fee. Under these guidelines, each of our directors either holds shares with a value greater than the applicable target dollar value, or we believe will own such amount of shares within the specified three year period.

The table below summarizes the compensation paid by the Company to non-employee directors for the fiscal year ended September 30, 2018.

Fiscal 2018 Directors Compensation

Name	Fees Earned or Paid in			Total
	Cash (\$)	Stock Awards (\$)(5)	All Other Compensation (\$)(6)	
Henry A. Alpert	92,000	90,004		182,004
Harvey R. Blau (1)	1,500	90,004	629,770	721,274
Thomas J. Brosig	78,000	90,004		168,004
Blaine V. Fogg	91,500	90,004		181,504
Louis J. Grabowsky	93,500	90,004		183,504
Bradley J. Gross (2)	60,500	90,004		150,504
Rear Admiral Robert G. Harrison	77,000	90,004		167,004
General Donald J. Kutyna	68,000	90,004		158,004
General Victor E. Renuart	63,500	90,004		153,504
Samanta Hegedus Stewart (3)	20,833	90,009		110,842
Kevin F. Sullivan	105,000	90,004		195,004
Cheryl L. Turnbull (4)	43,500	90,008		133,724
William H. Waldorf	73,500	90,004		163,504

- (1) After serving with distinction as Chairman of the Board for over thirty five years, twenty-five of which he also served as Chief Executive Officer, Mr. Blau passed away in January 2018.
- (2) Mr. Gross resigned from the Board on June 19, 2018. He was nominated for election to the Board by an affiliate of Goldman Sachs pursuant to an Investment Agreement between Griffon and such Goldman Sachs affiliate. Mr. Gross resigned in accordance with the terms of the Investment Agreement upon the closing of a public equity offering pursuant to which such Goldman Sachs affiliate sold its shares of Griffon common stock.
- (3) Ms. Stewart was elected to the Board effective as of September 4, 2018.
- (4) Ms. Turnbull was elected to the Board effective as of May 2, 2018.
- (5) Represents the aggregate grant date fair value of shares of restricted stock granted to the director during the applicable fiscal year, computed in accordance with FASB ASC Topic 718. The amounts in this column do not correspond to the actual value that will be realized by the director. For information regarding the assumptions made in calculating these amounts, see Note 12, Stockholders Equity and Equity Compensation, to the

consolidated financial statements, and the discussion under the heading ACCOUNTING POLICIES AND PRONOUNCEMENTS Stock-Based Compensation in Management s Discussion and Analysis of Financial Condition and Results of Operations, each included in our Annual Report on Form 10-K for the year ended September 30, 2018.

As of September 30, 2018, each non-employee director other than Ms. Stewart and Ms. Turnbull held 8,189 shares of restricted stock outstanding. Ms. Stewart and Ms. Turnbull held 4,932 and 4,523 shares of restricted stock outstanding, respectively, as of such date.

- (6) Mr. Blau was party to an agreement with the Company, dated July 1, 2001, pursuant to which Mr. Blau was obligated to consult with us and our senior executive officers regarding our businesses and operations. The consulting period was originally for a five year period expiring March 31, 2013. On February 3, 2011, we entered into an amendment extending the consulting period to April 1, 2016; and on January 28, 2015, we entered into an amendment extending the consulting period to April 1, 2021. In return for such consulting services, Mr. Blau earned an annual consulting fee equal to two-thirds of his salary at the time of his retirement from his position as Chief Executive Officer of the Company (which was adjusted periodically for cost of living increases) and continued to receive certain benefits he received as Chief Executive Officer. Accordingly, the table above reflects the following: (a) a consulting fee of \$248,639; (b) expenses related to automobile use in the amount of \$49,797, which includes an amount allocated to reflect the personal use by Mr. Blau of a car and driver provided by the Company for transport to and from business appointments; (c) club dues in the amount of \$9,747; and (d) \$321,587 paid by us for supplemental medical benefits. Under the July 1, 2001 agreement we also had an obligation to provide an insurance death benefit to Mr. Blau in the amount of \$5 million, and we maintained certain insurance policies on Mr. Blau's life, of which Griffon was the owner and beneficiary, as a means to satisfy this obligation; Griffon has collected the benefits under these policies. The net cost of maintaining these policies during fiscal 2018 was \$222,000.

In addition, each of Messrs. Alpert, Brosig, Fogg, Grabowsky, Harrison, Kutyna, Renuart, Stewart, Sullivan, Turnbull and Waldorf participate, and Mr. Blau participated, in group life and accidental death and dismemberment policies maintained by us. We pay the group premiums; the total allocated cost for each such individual is less than \$1,000 per year.

PROPOSAL 2 ADVISORY VOTE REGARDING EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 enables our stockholders to vote to approve, on an advisory (nonbinding) basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with applicable SEC rules.

Our compensation programs are designed to enable us to attract, motivate, reward and retain the management talent required to achieve corporate objectives, and thereby increase stockholder value. It is our policy to provide incentives to senior management to achieve both short-term and long-term objectives, to reward exceptional performance and contributions to the development of our businesses and to motivate our senior executives to balance risk and reward in the management of our businesses. Please see the section Compensation Discussion and Analysis and the related compensation tables above for additional details about our executive compensation programs, including information about the fiscal year 2018 compensation of our named executive officers.

We are asking our stockholders to indicate their support for our named executive officer compensation as described in this Proxy Statement. This proposal, commonly known as a say-on-pay proposal, gives our stockholders the opportunity to express their views on our named executive officers' compensation. We currently conduct an advisory vote on the compensation of our named executives annually and the next such stockholder advisory vote after our 2019 Annual Meeting will take place at our 2020 Annual Meeting. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this Proxy Statement. Accordingly, we will ask our stockholders to vote FOR the following resolution at the Annual Meeting:

RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2019 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission.

The say-on-pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or our Board of Directors. Our Board of Directors and our Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, we will consider the results of the vote in future compensation deliberations.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR
THE RESOLUTION APPROVING THE COMPENSATION OF OUR EXECUTIVE
OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT**

AUDIT COMMITTEE REPORT

As required by its written charter, which sets forth its responsibilities and duties, the Audit Committee reviewed and discussed with management our audited financial statements as of and for the year ended September 30, 2018.

The Audit Committee reviewed and discussed with representatives of Grant Thornton LLP, our independent registered public accounting firm, the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, as amended. The Audit Committee has also received and reviewed the written disclosures and the letter from Grant Thornton LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Grant Thornton LLP's communications with the Audit Committee concerning independence, and has discussed with Grant Thornton LLP its independence.

Based on these reviews and discussions, the Audit Committee recommended to the Board of Directors that the financial statements referred to above be included in our Annual Report on Form 10-K for the year ended September 30, 2018 for filing with the Securities and Exchange Commission.

The Audit Committee has also reviewed and discussed the fees paid to Grant Thornton LLP during the last fiscal year for audit and non-audit services, which are set forth below under *Audit and Related Fees* and has considered whether the provision of the non-audit services is compatible with maintaining Grant Thornton LLP's independence and concluded that it is.

The Audit Committee

Louis J. Grabowsky (Chairman)

Thomas J. Brosig

Kevin F. Sullivan

William H. Waldorf

PROPOSAL 3 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We are asking the stockholders to ratify the Audit Committee's appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2019. The Audit Committee is directly responsible for appointing the Company's independent registered public accounting firm. Although the Company is not required to submit this matter to its stockholders for approval, the Board of Directors believes that its stockholders should have the opportunity to express their view regarding the appointment of the Company's independent registered public accounting firm. The Audit Committee is not bound by the outcome of this vote but will consider these voting results when selecting the Company's independent auditor for fiscal year 2019.

Grant Thornton LLP has audited our financial statements annually since 2006. A representative of Grant Thornton LLP is expected to be present at the Annual Meeting. The representative will have an opportunity to make a statement if he desires to do so and will be available to answer appropriate questions from stockholders.

AUDIT AND RELATED FEES

Audit Fees

We were billed by Grant Thornton LLP the aggregate amount of approximately \$3,391,000 in respect of fiscal 2018 and \$3,437,000 in respect of fiscal 2017 for fees for professional services rendered for the audit of our annual financial statements and internal controls in compliance with Section 404 of the Sarbanes-Oxley Act of 2002 and review of our financial statements included in our Forms 10-Q and other filings with the SEC.

Audit-Related Fees

We were billed by Grant Thornton LLP the aggregate amount of approximately \$132,000 in respect of fiscal 2018 and \$115,000 in respect of fiscal 2017 for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and which are not included in the amounts listed above under Audit Fees. In fiscal 2018, such amount related to an S-8 registration statement, an S-3 shelf registration statement, and a secondary offering in which an affiliate of The Goldman Sachs Group, Inc. (Goldman Sachs) sold its remaining shares of Griffon common stock. In fiscal 2017, such amount related to an add-on offering of our 5.25% Senior Notes due 2022.

Tax Fees

Grant Thornton LLP did not bill us any fees for tax-related services in respect of fiscal 2018 or fiscal 2017.

All Other Fees

We were not billed by Grant Thornton LLP for any other services in fiscal 2018 or fiscal 2017 not described in the preceding paragraphs.

Our Audit Committee has determined that the services provided by Grant Thornton LLP are compatible with maintaining the independence of Grant Thornton LLP as our independent registered public accounting firm.

Pre-Approval Policy

Our Audit Committee has adopted a statement of principles with respect to the pre-approval of services provided by the independent registered public accounting firm. In accordance with the statement of principles, the Audit Committee determined that all non-prohibited services to be provided by the independent registered public accounting firm are to be approved in advance pursuant to a proposal from such independent registered public accounting firm and a request by management for approval.

Vote Required

The ratification of the appointment of Grant Thornton LLP requires the vote of a majority of the shares present in person or by proxy and entitled to vote on the matter at the Annual Meeting once a quorum is present. Abstentions will be counted and will have the same effect as a vote against the proposal.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE IN FAVOR OF THE
RATIFICATION OF THE SELECTION OF GRANT THORNTON LLP AS
OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

We have adopted a written policy that requires the review and pre-approval of all potential transactions valued at greater than \$50,000 in which we or any of our directors, executive officers, stockholders owning greater than 5% of any class of our securities, or any of their immediate family members, participates or otherwise has a certain level of affiliation or interest. The policy also sets forth certain processes and procedures for the Company to monitor and identify related party transactions. The Audit Committee is responsible for evaluating and authorizing any transaction with a value greater than \$120,000, although any member of the Audit Committee who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting approval or ratification of the transaction in question. The Chief Executive Officer is responsible for evaluating and authorizing any transaction with a value between \$50,000 and \$120,000, unless the Chief Executive Officer is a related person with respect to the transaction under review, in which case the Audit Committee shall be responsible for such evaluation and possible authorization.

The factors to be considered in determining whether or not to authorize a transaction brought to the attention of the Audit Committee or the Chief Executive Officer under this policy include the following:

- the terms of the transaction, and whether the terms are no less favorable to us than would be obtained in the transaction were entered into with a party other than a related person
- the price or other consideration involved
- the benefits to us
- the availability of other sources for the product or service that is the subject of the transaction
- the timing of the transaction
- the potential impact of the transaction on a director's independence
- any other factors deemed relevant

In September 2008 GS Direct, L.L.C. ("GS Direct"), an affiliate of Goldman Sachs, acquired 10,000,000 shares of Griffon common stock pursuant to an Investment Agreement between Griffon and GS Direct in connection with the closing of a common stock rights offering by Griffon. On December 10, 2013, pursuant to the terms of a previously announced transaction that was approved by our Board of Directors, Griffon repurchased 4,444,444 shares of common stock from GS Direct for an aggregate amount of \$50 million, or a price of \$11.25 per share. Based on a Schedule 13D filed with the SEC by GS Direct and certain of its affiliates on May 18, 2018, as of May 15, 2018, GS Direct beneficially owned 5,555,556 shares of Griffon common stock, which at the time equaled approximately 12.2% of Griffon's outstanding common stock and, pursuant to the terms of the Investment Agreement, entitled GS Direct to designate one person to serve on Griffon's Board.

On June 19, 2018, pursuant to an underwritten public offering, GS Direct sold its remaining shares of Griffon common stock, and GS Direct's designee resigned from the Griffon Board. Pursuant to the terms of a customary registration rights agreement between Griffon and GS Direct, Griffon was obligated to reimburse GS Direct for certain expenses (such as fees of counsel) relating to the offering, and accordingly reimbursed GS Direct for an amount of approximately \$190,000.

Affiliates of GS Direct performed various services for us in fiscal 2017 and fiscal 2018, including providing financial advice to us in connection with the acquisition of ClosetMaid, which closed on October 2, 2017; acting as a joint lead manager and an initial purchaser in connection with our add-on offering of \$275 million of our 5.25% Senior Notes due 2022, which also closed on October 2, 2017; and providing financial advice to us in connection with the exploration of strategic alternatives for our Clipay

Plastics business, which divestiture closed on February 6, 2018. We paid aggregate fees of approximately \$10.1 million to affiliates of GS Direct for these services. The Audit Committee approved the engagement of the GS Direct affiliate in each of the capacities described above.

A copy of the Investment Agreement is included as an exhibit to the Current Report on Form 8-K filed with the SEC on August 13, 2008, which is available from the SEC at its website at www.sec.gov.

FINANCIAL STATEMENTS

A copy of our Annual Report to Stockholders, including financial statements, for the fiscal year ended September 30, 2018 has been made available to all stockholders as of the Record Date. Stockholders are referred to the report for financial and other information about us, but such report is not incorporated in this Proxy Statement and is not a part of the proxy soliciting material.

MISCELLANEOUS INFORMATION

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act, as amended, requires our executive officers, directors and persons who own more than ten percent of a registered class of our equity securities (Reporting Persons) to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the Securities and Exchange Commission and the New York Stock Exchange. These Reporting Persons are required by SEC regulation to furnish us with copies of all Forms 3, 4 and 5 they file with the SEC and The New York Stock Exchange. Based solely upon our review of copies of the forms furnished to us and representations that no other reports were required, we believe that all Reporting Persons complied on a timely basis with all filing requirements applicable to them with respect to transactions during fiscal year 2018.

Matters to be Considered at the Meeting

The Board of Directors does not intend to present to the meeting any matters not referred to in the form of proxy. If any proposal not set forth in this Proxy Statement should be presented for action at the meeting, and is a matter which should come before the meeting, it is intended that the shares represented by proxies will be voted with respect to such matters in accordance with the judgment of the persons voting them.

Cost of Solicitation

The cost of soliciting proxies in the accompanying form, which we estimate to be \$50,000, will be paid by us. In addition to solicitations by mail, arrangements may be made with brokerage houses and other custodians, nominees and fiduciaries to send proxy materials to their principals, and we may reimburse them for their expenses in so doing. To the extent necessary in order to assure sufficient representation, our officers and regular employees may request the return of proxies personally, by telephone or other means. The extent to which this will be necessary depends entirely upon how promptly proxies are received, and stockholders are urged to submit their proxies without delay.

Delivery of Documents to Stockholders Sharing an Address

If you are the beneficial owner, but not the record holder, of shares of Griffon stock, your broker, bank or other nominee may deliver only one copy of the Notice of Internet Availability of Proxy Materials (and this Proxy Statement and our 2018 Annual Report, if you have elected to receive paper copies) to

multiple stockholders who share an address, unless that nominee has received contrary instructions from one or more of the stockholders. We will deliver promptly, upon written or oral request, a separate copy of the Notice of Internet Availability of Proxy Materials (and of this Proxy Statement and our 2018 Annual Report, if applicable) to a stockholder at a shared address to which a single copy of the documents was delivered. A stockholder who wishes to receive a separate copy of the Proxy Statement and Annual Report, now or in the future, should submit this request in writing to American Stock Transfer and Trust Company, Proxy Fulfillment Services, 6201 15th Avenue, Brooklyn, NY 11219, or by calling (888) 776-9962. Beneficial owners sharing an address who are receiving multiple copies of proxy materials and who wish to receive a single copy of such materials in the future will need to contact their broker, bank or other nominee to request that only a single copy of each document be mailed to all shareowners at the shared address in the future.

Deadline for Submission of Stockholder Proposals for the 2020 Annual Meeting

Proposals of stockholders intended to be presented at the 2020 Annual Meeting of Stockholders pursuant to SEC Rule 14a-8 must be received at our principal office not later than August 20, 2019 to be included in the proxy statement for that meeting.

In addition, our by-laws require that we be given advance notice of stockholder nominations for election to the Board of Directors and of other matters which stockholders wish to present for action at an annual meeting of stockholders. The required notice must be delivered to the Secretary of the Company at our principal offices not less than 90 days and not more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders. These requirements are separate from and in addition to the SEC requirements that a stockholder must meet in order to have a stockholder proposal included in our proxy statement.

Pursuant to our by-laws, if notice of any stockholder proposal is received prior to October 3, 2019 or after November 2, 2019, the notice will be considered untimely and we will not be required to present such proposal at the 2020 Annual Meeting. If the Board of Directors chooses to present a proposal submitted prior to October 3, 2019 or after November 2, 2019 at the 2020 Annual Meeting, then the persons named in proxies solicited by the Board of Directors for the 2020 Annual Meeting may exercise discretionary voting power with respect to such proposal.

We will provide without charge to any stockholder as of the record date copies of our Annual Report on Form 10-K, Corporate Governance Guidelines, Code of Business Conduct and Ethics and charters of any committee of the Board of Directors upon written request delivered to Seth L. Kaplan, Secretary, at our offices at 712 Fifth Avenue, 18th Floor, New York, New York 10019. These materials may also be found on our website at www.griffon.com.

By Order of the Board of Directors

SETH L. KAPLAN
Senior Vice President, General Counsel and Secretary

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GRIFFON CORPORATION

**PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
ANNUAL MEETING OF STOCKHOLDERS**

January 31, 2019

As an alternative to completing this form, you may enter your vote instruction by telephone at 1-800-PROXIES, or via the Internet at WWW.VOTEPROXY.COM and follow the simple instructions. Use the Company Number and Account Number shown on your proxy card.

The undersigned hereby appoints RONALD J. KRAMER and SETH L. KAPLAN, or either of them, attorneys and Proxies with full power of substitution in each of them, in the name and stead of the undersigned to vote as Proxy all the stock of the undersigned in GRIFFON CORPORATION, a Delaware corporation, at the Annual Meeting of Stockholders scheduled to be held on January 31, 2019 and any postponements or adjournments thereof.

THE SHARES REPRESENTED HEREBY SHALL BE VOTED BY PROXIES, OR ANY OF THEM, AS SPECIFIED AND, IN THEIR DISCRETION, UPON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING. IF NO SPECIFICATION IS MADE, THE SHARES WILL BE VOTED IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE BOARD OF DIRECTORS FOR PROPOSALS 1, 2 AND 3 AND IN THE DISCRETION OF THE PROXYHOLDERS ON ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE MEETING.

(Continued and to be signed on the reverse side.)

1.114475

ANNUAL MEETING OF SHAREHOLDERS OF

GRIFFON CORPORATION

January 31, 2019

GO GREEN

e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.astfinancial.com to enjoy online access.

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:

The Notice of Meeting, Proxy Statement, Proxy Card and Annual Report on Form 10-K are available at <http://www.astproxyportal.com/ast/03170>

Please sign, date and mail

your proxy card in the

envelope provided as soon

as possible.

Please detach along perforated line and mail in the envelope provided.

20403003000000000000 5013119

**PLEASE SIGN, DATE AND
RETURN PROMPTLY IN THE
ENCLOSED ENVELOPE.**

**PLEASE MARK YOUR VOTE
IN BLUE OR BLACK INK AS
SHOWN HERE x**

The Board of Directors recommends a vote FOR the election of directors.

1. ELECTION OF THE FOLLOWING NOMINEES:

NOMINEES:

FOR ALL NOMINEES

- WITHHOLD AUTHORITY** Louis J. Grabowsky
- FOR ALL NOMINEES** Robert F. Mehmel
- FOR ALL EXCEPT** Cheryl L. Turnbull
- (See instructions below) William H. Waldorf

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark “**FOR ALL EXCEPT**” and fill in the circle next to each nominee you wish to withhold, as shown here: 1

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. 0

The Board of Directors recommends a vote FOR the advisory resolution on the compensation of our executive officers as disclosed in the Proxy Statement.

FOR AGAINST ABSTAIN

Approval of the resolution approving the compensation of

2. our executive officers as disclosed in the Proxy Statement.

The Board of Directors recommends a vote FOR ratification of Grant Thornton LLP.

FOR AGAINST ABSTAIN

Ratification
of
the
selection
by
our
audit
committee
of
Grant
Thornton
LLP

3. to o o o
serve
as
our
independent
registered
public
accounting
firm
for
fiscal
year
2019.

4. Upon such other business as
may properly come before the
meeting or any adjournment
thereof.

PLEASE DATE, SIGN AND
RETURN THIS PROXY IN
THE ENCLOSED ENVELOPE

Signature of Shareholder Date: Signature of Shareholder Date:

Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such.
Note: If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such.
If signer is a partnership, please sign in partnership name by authorized person.

**ANNUAL MEETING OF SHAREHOLDERS OF
GRIFFON CORPORATION**

January 31, 2019

PROXY VOTING INSTRUCTIONS

INTERNET - Access “**www.voteproxy.com**” and follow the on-screen instructions or scan the QR code with your smartphone. Have your proxy card available when you access the web page.

TELEPHONE - Call toll-free **1-800-PROXIES** (1-800-776-9437) in the United States or **1-718-921-8500** from foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call.

Vote online/phone until 11:59 PM EST the day before the meeting.

MAIL - Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON - You may vote your shares in person by attending the Annual Meeting.

GO GREEN - e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.astfinancial.com to enjoy online access.

**COMPANY NUMBER
ACCOUNT NUMBER**

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:

The Notice of Meeting, Proxy Statement, Proxy Card and Annual Report on Form 10-K are available at <http://www.astproxyportal.com/ast/03170>

our
executive
officers
as
disclosed
in
the
Proxy
Statement.

**The Board of Directors
recommends a vote FOR
ratification of Grant Thornton
LLP.**

FOR AGAINST ABSTAIN
Ratification
of
the
selection
by
our
audit
committee
of
Grant
Thornton
LLP
3. to o o o
serve
as
our
independent
registered
public
accounting
firm
for
fiscal
year
2019.

4. Upon such other business as
may properly come before the
meeting or any adjournment
thereof.

PLEASE DATE, SIGN AND
RETURN THIS PROXY IN
THE ENCLOSED ENVELOPE

Signature of Shareholder Date: Signature of Shareholder Date:

Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. Note: If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting of

GRIFFON CORPORATION

To Be Held On:

January 31, 2019

**COMPANY NUMBER
ACCOUNT NUMBER
CONTROL NUMBER**

This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. We encourage you to access and review all of the important information contained in the proxy materials before voting.

**The proxy statement and annual report to security holders are available at:
<http://www.astproxyportal.com/ast/03170>.**

If you want to receive a paper or e-mail copy of the proxy materials you must request one. There is no charge to you for requesting a copy. To facilitate timely delivery please make the request as instructed below before January 17, 2019.

Please visit <http://www.astproxyportal.com/ast/03170>, where the following materials are available for view:

- Notice of Annual Meeting of Stockholders
- Proxy Statement
- Form of Electronic Proxy Card
- Annual Report on Form 10-K

**TO REQUEST MATERIAL: TELEPHONE: 888-Proxy-NA (888-776-9962) and 718-921-8562 (for international callers)
E-MAIL: info@astfinancial.com**

WEBSITE:

<https://us.astfinancial.com/OnlineProxyVoting/ProxyVoting/RequestMaterials>

TO VOTE:

ONLINE: To access your online proxy card, please visit www.voteproxy.com and follow the on-screen instructions or scan the QR code with your smartphone. You may enter your voting instructions at www.voteproxy.com up until 11:59 PM Eastern Time the day before the cut-off or meeting date.

IN PERSON: You may vote your shares in person by attending the Annual Meeting. The Annual Meeting will be held at the offices of Dechert LLP, 1095 Avenue of Americas, New York, NY 10036, on Thursday, January 31, 2019 at 10:00 a.m. You may obtain directions to the meeting by accessing the following website: http://www.dechert.com/new_york/.

TELEPHONE: To vote by telephone, please visit www.voteproxy.com to view the materials and to obtain the toll free number to call.

MAIL: You may request a card by following the instructions above.

The Board of Directors recommends a vote FOR the election of directors.

The Board of Directors recommends a vote FOR the advisory resolution on the compensation of our executive officers as disclosed in the Proxy Statement.

1. ELECTION OF THE FOLLOWING NOMINEES:

2. Approval of the resolution approving the compensation of our executive officers as disclosed in the Proxy Statement.

NOMINEES:

Louis J. Grabowsky

Robert F. Mehmel

Cheryl L. Turnbull

William H. Waldorf

The Board of Directors recommends a vote FOR ratification of Grant Thornton LLP.

3. Ratification of the selection by our audit committee of Grant

- Thornton LLP
to serve as our
independent
registered
public
accounting
firm for fiscal
year 2019.
Upon such
other business
as may
properly come
4. before the
meeting or
any
adjournment
thereof.

**Please note that you cannot use
this notice to vote by mail.**