

MATTEL INC /DE/
Form DEF 14A
April 05, 2016
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Mattel, Inc.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Table of Contents

- (2) Aggregate number of securities to which transaction applies:

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

- (4) Proposed maximum aggregate value of transaction:

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- (1) Amount Previously Paid:

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- (3) Filing Party:

- (4) Date Filed:

Table of Contents

**2016 Proxy Statement
and Notice of Annual Meeting
of Stockholders to be Held on May 19, 2016**

Table of Contents**NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS****Mattel, Inc.****Notice of 2016 Annual Meeting of Stockholders**

The 2016 Annual Meeting of Stockholders of Mattel, Inc. (*Mattel* or the *Company*) will be held on May 19, 2016 at 9:00 a.m. (Los Angeles time) at the Westin Los Angeles Airport, 5400 West Century Boulevard, Los Angeles, California 90045 (*Annual Meeting*).

We will consider and act on the following matters of business at the Annual Meeting:

	Matter	Our Board's Recommendations
Proposal 1	Election of the 10 director nominees named in the Proxy Statement: Michael J. Dolan, Trevor A. Edwards, Dr. Frances D. Fergusson, Ann Lewnes, Dominic Ng, Vasant M. Prabhu, Dean A. Scarborough, Christopher A. Sinclair, Dirk Van de Put and Kathy White Loyd	FOR each Director Nominee
Proposal 2	Advisory vote to approve named executive officer compensation (<i>Say-on-Pay</i>)	FOR
Proposal 3	Ratification of the selection of PricewaterhouseCoopers LLP as Mattel's independent registered public accounting firm for the year ending December 31, 2016	FOR
Proposal 4	Stockholder proposal regarding an independent Board Chairman, if properly presented Such other business as may properly come before the Annual Meeting	AGAINST

If you were a holder of record of Mattel common stock at the close of business on March 24, 2016, you are entitled to notice of, and to vote at, the Annual Meeting.

The Westin Los Angeles Airport is accessible to those who require special assistance. If you require special assistance, please call the hotel at (310) 216-5858. **Whether or not you expect to attend the Annual Meeting, please submit a proxy to vote as soon as possible so that your shares will be represented and voted at the Annual Meeting.**

By Order of the Board of Directors

Robert Normile

Secretary

El Segundo, California

Table of Contents

April 5, 2016

Table of Contents**TABLE OF CONTENTS****Table of Contents**

	Page
<u>PROXY SUMMARY</u>	1
<u>PRINCIPAL STOCKHOLDERS</u>	8
<u>SECURITY OWNERSHIP OF MANAGEMENT AND THE BOARD</u>	9
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	11
<u>THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	22
<u>BOARD INDEPENDENCE AND ACCOUNTABILITY</u>	22
<u>BOARD RESPONSIBILITIES</u>	25
<u>BOARD GENERAL INFORMATION</u>	27
<u>DIRECTOR COMPENSATION</u>	33
<u>AUDIT MATTERS</u>	37
<u>REPORT OF THE AUDIT COMMITTEE</u>	37
<u>FEES INCURRED FOR SERVICES BY PRICEWATERHOUSECOOPERS LLP</u>	39
<u>EXECUTIVE OFFICERS</u>	41
<u>EXECUTIVE COMPENSATION</u>	43
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	43
<u>Executive Summary</u>	43
<u>Elements of Compensation</u>	50
<u>Important Policies and Guidelines</u>	71

Executive Compensation Process and Governance

Table of Contents

TABLE OF CONTENTS

	Page
<u>EXECUTIVE COMPENSATION TABLES</u>	78
<u>Summary Compensation Table</u>	78
<u>Grants of Plan-Based Awards in 2015</u>	84
<u>Outstanding Equity Awards at 2015 Year-End</u>	86
<u>Option Exercises and Stock Vested in 2015</u>	89
<u>2015 Pension Benefits</u>	89
<u>2015 Nonqualified Deferred Compensation</u>	91
<u>Potential Payments Upon Termination or Change of Control</u>	94
<u>Estimated Potential Payments</u>	99
<u>COMPENSATION RISK REVIEW</u>	104
<u>REPORT OF THE COMPENSATION COMMITTEE</u>	105
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	106
<u>CERTAIN TRANSACTIONS WITH RELATED PERSONS</u>	107
<u>PROPOSAL 2 ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION (SAY-ON-PAY)</u>	108
<u>PROPOSAL 3 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	111
<u>PROPOSAL 4 STOCKHOLDER PROPOSAL REGARDING INDEPENDENT BOARD CHAIRMAN</u>	112
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	116
<u>ANNUAL MEETING AND VOTING INFORMATION</u>	117
<u>DEADLINE FOR FUTURE PROPOSALS, NOMINATIONS AND RECOMMENDATIONS BY STOCKHOLDERS</u>	123
<u>OTHER MATTERS THAT MAY COME BEFORE THE ANNUAL MEETING</u>	125
<u>SOLICITATION OF PROXIES</u>	126

Table of Contents**PROXY SUMMARY****PROXY SUMMARY**

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider and you should read the entire Proxy Statement carefully before voting. For more complete information regarding our 2015 financial performance, please review our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission (SEC).

Meeting Information and Mailing of Proxy Materials

Date:	May 19, 2016
Time:	9:00 a.m. (Los Angeles time)
Location:	Westin Los Angeles Airport, 5400 W. Century Boulevard, Los Angeles, California 90045
Record Date:	March 24, 2016
Mailing Date:	On or around April 5, 2016, we will mail a Notice of Internet Availability of Proxy Materials to most stockholders and printed copies of our proxy materials to our other stockholders.

Voting Items and Board Recommendations

	Matter	Our Board's Recommendation
Proposal 1	Election of Director Nominees (page 11)	FOR each Director Nominee
Proposal 2	Advisory Vote on the Compensation of Our Named Executive Officers (Say-on-Pay) (page 108)	FOR
Proposal 3	Ratification of PricewaterhouseCoopers LLP as Our Independent Accounting Firm for 2016 (page 111)	FOR
Proposal 4	Stockholder Proposal Regarding Independent Board Chairman, if properly presented (page 112)	AGAINST

Table of Contents**PROXY SUMMARY****Board Nominees**

Name	Independent	Principal Occupation/ Key Experience	Director Since	Mattel Committee Memberships
Michael J. Dolan	ü	Chief Executive Officer of Bacardi Limited	2004	Compensation (Chair), Executive (Chair) and Governance and Social Responsibility
Trevor A. Edwards	ü	President, NIKE Brands of NIKE, Inc.	2012	Compensation and Governance and Social Responsibility
Dr. Frances D. Fergusson	ü	Former President of Vassar College; Director at Pfizer Inc.	2006	Executive, Finance and Governance and Social Responsibility (Chair)
Ann Lewnes	ü	Senior Vice President and Chief Marketing Officer of Adobe Systems Incorporated	2015	Governance and Social Responsibility
Dominic Ng*	ü	Chairman of the Board and Chief Executive Officer of East West Bancorp, Inc. and East West Bank	2006	Audit and Finance
Vasant M. Prabhu*	ü	Executive Vice President and Chief Financial Officer of Visa Inc.	2007	Audit (Chair), Executive and Finance
Dean A. Scarborough	ü	Chairman of the Board and Chief Executive Officer of Avery Dennison Corporation	2007	Compensation, Executive and Finance (Chair)
Christopher A. Sinclair		Chairman of the Board and Chief Executive Officer of Mattel, Inc.	1996	Equity Grant Allocation
Dirk Van de Put*	ü	President and Chief Executive Officer of McCain Foods Limited	2011	Audit and Governance and Social Responsibility
Kathy White Loyd	ü	Executive in Residence and Faculty Member at the Bryan School of Business & Economics at the University of	2001	Audit and Compensation

North Carolina
Greensboro

Independent Lead Director

* Audit Committee Financial
Expert

We believe the collective backgrounds and diverse experiences of our 10 director nominees complement each other and position the Board to provide Mattel with the knowledge, expertise and guidance necessary to oversee management in the execution of our turnaround.

2 **Mattel, Inc.** 2016 Proxy Statement

Table of Contents**PROXY SUMMARY****Stockholder Engagement and Corporate Governance Highlights**

In 2015, an independent member of our Board together with our management team engaged in outreach activities and discussions with stockholders representing more than 40%, in total, of Mattel's outstanding shares.

We have established strong corporate governance practices to provide stockholders with meaningful rights. We have enhanced our engagement efforts over the past year to gather important feedback from our stockholders to take back to our Board on topics including our turnaround strategy, board leadership structure, corporate governance practices and executive compensation programs. These engagement efforts informed certain changes the Compensation Committee made to our executive compensation programs in 2016. We will continue to reach out to stockholders going forward to help inform boardroom discussions on critical Board, governance and compensation matters.

We maintain industry-leading corporate governance and Board practices that ensure accountability and enhance effectiveness in the boardroom.

Corporate Governance Practices	Board Practices
ü Annual Board elections	ü Routine review of Board leadership structure
ü Majority voting	ü Annual Board and Committee evaluations
ü Robust Independent Lead Director role with significant responsibilities	ü Annual review and evaluation of the CEO's performance by independent directors
ü Stockholder right to call special meetings	ü Quarterly executive sessions held without management present
ü Stockholder ability to act by written consent	ü Robust director succession and search process
ü Comprehensive risk management with Board and Committee oversight	ü Ability to remove directors with or without cause

2015 Financial and Business Highlights

Our 2015 results reflect progress against our 2015 strategic priorities and our turnaround efforts.

We continue to focus on embracing brand building, creativity and innovation, and we have instituted a cultural transformation that puts a premium on speed to market and accountability. Our management's priority is putting Mattel back on track for growth and improved profitability. In 2015, we organized around the following six strategic priorities:

2015 Strategic Priorities

Exploiting the franchise strength of our core brands	Achieving distinctiveness and excellence in our commercial organization
Re-establishing toy leadership	Rapidly expanding into emerging markets
Strengthening our global supply chain	Continuously driving cost improvement

Table of Contents**PROXY SUMMARY**

In 2015, we made significant progress against the six strategic priorities and our cultural transformation. The business was stabilized as gross sales increased over the prior year in constant currency, and our critical core brands were revitalized, with positive trends in both consumer takeaway and shipping.

Turnaround Progress**Encouraging Trends in Underlying Business Despite Currency Headwinds**

- ü Revitalized core brands (Barbie and Fisher-Price) and maintained strong momentum in other core brands (Hot Wheels and Thomas)
- ü Investments in emerging markets like China and Russia delivered strong improvement and growth, generating momentum for 2016
- ü Gross sales in 2015 were up 1% in constant currency,* and down 6% as reported, compared to 2014
- ü Net sales in 2015 were up 2% in constant currency,* and down 5% as reported, compared to 2014
- ü Achieved 2015 financial outlook

P&L Results Reflect Ongoing Financial Discipline to Improve Top-Line Momentum

- ü Elevated spending in advertising and retail promotions to support core brands
- ü Exceeded first year cost savings program target with approximately \$153 million of gross savings in 2015

Maintained Disciplined Capital Deployment Strategy and Strong Balance Sheet

- ü Invested in turnaround efforts and growth initiatives
- ü Ended 2015 with \$893 million of cash
- ü Maintained quarterly dividend of \$0.38 per share

* For a reconciliation of the non-GAAP measures discussed above, please see pages 42 to 44 of our Annual Report on Form 10-K filed with the SEC on February 25, 2016.

The following shows our Total Stockholder Return (TSR⁽¹⁾) performance over the years as compared to the median of our peers:

Period	Mattel	Peer Group
1 year	-7%	8%
3 year	-5%	15%
5 year	6%	14%

⁽¹⁾ TSR represents the annualized rate of return reflecting changes in the stock price plus reinvestment and the compounding effect of dividends over such period.

To support the execution of our turnaround strategy, the Board, together with management, implemented a number of changes in Company leadership in 2015, including to several of our named executive officer (NEOs) positions, to strengthen Mattel and revitalize the business going forward.

Table of Contents**PROXY SUMMARY****CEO Succession**

On January 25, 2015, **Mr. Sinclair**, one of our independent directors, was appointed as **Chairman of the Board and Interim CEO**, succeeding Bryan G. Stockton.

On April 2, 2015, as a result of Mr. Sinclair's demonstrated actions and comprehensive plan to improve Mattel's performance, the Board appointed **Mr. Sinclair as CEO**.

Enhanced Senior Management Team to Drive Growth and Profitability

On January 13, 2015, **Richard Dickson**, previously our Chief Brands Officer, was promoted to President, Chief Brands Officer and effective April 2, 2015, was further **promoted to President and Chief Operating Officer** (COO). With the appointment of Mr. Dickson as COO, we believe the brand and commercial organizations were better aligned and reorganized to improve top-line performance and reduce redundant costs.

On June 8, 2015, **Geoffrey Walker**, previously our Executive Vice President (EVP), Global Brands Team Fisher-Price, was transitioned to the role of **EVP, Commercial North America** to leverage his brand and commercial leadership.

We also hired a number of outside experts and leaders to join our senior executive team, particularly in crucial areas like brand management, content creation and distribution, e-commerce, finance and human resources.

Overall, more than 50% of our senior leadership team was changed or re-assigned.

Executive Compensation Highlights

Our executive compensation programs are designed to be performance-based and link our executives' pay opportunity to the execution of Company strategies and to the interests of our stockholders.

2015 Compensation Changes and Pay-For-Performance Results

For 2015, the Compensation Committee made the following changes to our annual cash incentive plan, the Mattel Incentive Plan (MIP):

The adjusted net sales multiplier component was **increased** from 20% to 75%, while the gross margin multiplier was **reduced** from 80% to 25%, to increase the emphasis and focus on sales growth.

The earnout percentage under the MIP for our NEOs could not exceed 100% of target unless Mattel's TSR was positive.

Highlights of our pay-for-performance link based on our challenging 2015 financial performance include:

Base Salary No merit-based salary increases were approved for our NEOs in 2015 and 2016 (other than in the case of promotions).

Annual Incentive Below target MIP payouts (ranging from 44.7% and 68.3% of target) were earned by our NEOs for 2015, which reflect Company and business group financial results.

Long-Term Incentive Program Below target amount (41%) was achieved for the 2015 performance-related component allocated to one-third of the performance-based restricted stock units (Performance Units) granted under our 2014-2016 Long-Term Incentive Program (LTIP). As 2015 was only the second year of the three-year performance cycle, no Performance Units were earned. The number of Performance Units earned will depend on our performance relative to the performance-related component in 2016 (in addition to 2014 and 2015) and our relative TSR for the full three-year performance cycle. If the TSR modifier that will

Table of Contents**PROXY SUMMARY**

be applied at the end of the three-year performance cycle were to have been applied at the end of 2015, this would have resulted in a zero earnout of the Performance Units.

2016 Compensation Changes

To further promote our turnaround, reinforce our strategic priorities and reflect the support and feedback from our stockholder outreach, the Compensation Committee made the following changes to our MIP and LTIP in 2016:

Compensation Element	Actions Taken By Compensation Committee
Annual Incentive (MIP)	<p>Financial Performance Measures Simplified and streamlined the financial focus of the MIP by emphasizing net sales and adjusted operating profit (eliminated gross margin and free cash flow) to drive profitable growth, with higher weighting than prior year on net sales, for greater alignment with our business objectives and turnaround strategy</p> <p>Alignment with Strategic Priorities Modified the payout formula for our NEOs (and other EVPs) to be based 75% on achievement of financial goals (previously 100%) and 25% to be based on achievement of established strategic priorities related to each executive's job responsibilities, to provide a stronger line of sight to operational performance over which the executive has responsibility and to drive a culture of accountability (such strategic priorities component paid out only if the adjusted operating profit threshold is achieved so that executives are appropriately held accountable for financial performance)</p> <p>Overall Plan Structure To allow maximum flexibility for the Compensation Committee while preserving tax deductibility, established the MIP under an umbrella plan structure in which the MIP will be funded at maximum for our NEOs (and other EVPs) if a specified threshold level percentage of our target operating profit is achieved, subject to the Compensation Committee's discretion to pay lesser amounts</p>
Long-Term Incentive Program (LTIP)	<p>Performance Cycles Approach Changed the prior three-year end-to-end cycle approach to overlapping three-year cycles that provide for annual grants and established a new 2016-2018 performance cycle, to align with market practice, permit greater responsiveness to changing circumstances and market movements, strengthen retention and facilitate year-to-year compensation analysis</p> <p>Financial Performance Measures Changed the financial performance measure from net operating profit after tax less capital charge (NOPAT-CC) and net sales (with performance goals set annually) to earnings per share (EPS) (with performance goals set at the commencement of the three-year performance cycle), while maintaining the relative three-year TSR modifier component, to focus management on strategic long-term objectives and long-term stockholder value creation, support our turnaround strategy and provide long-term differentiated goals as compared to the MIP</p>

Table of Contents**PROXY SUMMARY****Compensation Governance Best Practices**

Our Compensation Committee maintains several compensation governance best practices highlighted below that establish strong safeguards for our stockholders and further enhance the alignment of interests between our NEOs and stockholders.

Compensation Governance Practices

- ü Compensation Recovery Policy (Clawback Policy) applicable to all executive officers
- ü Double-trigger accelerated vesting in equity plans and executive severance plans in the event of a change of control
- ü Annual compensation risk assessment
- ü Robust stock ownership guidelines: 6x base salary for CEO, 4x for COO and CFO, 3x or 2x for other NEOs
- ü No excise tax gross-ups
- ü No hedging or pledging permitted
- ü Annual comparator peer group review
- ü Independent compensation consultant
- ü No poor pay tax gross-up practices on perquisites and benefits

Corporate Information

Corporate Headquarters: 333 Continental Boulevard, El Segundo, California 90245-5012

Corporate Website: www.corporate.mattel.com

Investor Relations Website: <http://investor.shareholder.com/mattel/>

State of Incorporation: Delaware

Stock Symbol: Nasdaq: MAT

Table of Contents**PRINCIPAL STOCKHOLDERS****PRINCIPAL STOCKHOLDERS**

As of March 24, 2016, the only persons known by Mattel to own beneficially, or to be deemed to own beneficially, 5% or more of Mattel's common stock were as follows:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent Owned ⁽¹⁾
T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, Maryland 21202	50,222,983 ⁽²⁾	14.76%
BlackRock, Inc. 40 East 52nd Street New York, New York 10022	36,200,199 ⁽³⁾	10.64%
The Vanguard Group 100 Vanguard Blvd. Malvern, Pennsylvania 19355	28,567,000 ⁽⁴⁾	8.39%

⁽¹⁾ The percentages shown are based on 340,325,257 shares of Mattel common stock outstanding as of March 24, 2016 and may differ from the percentages reflected in the filings referenced below.

⁽²⁾ As reported in a Schedule 13G/A filed with the SEC on February 10, 2016 by T. Rowe Price Associates, Inc. The Schedule 13G/A states that T. Rowe Price Associates, Inc. has sole voting power as to 16,851,292 shares and sole dispositive power as to 50,150,883 shares.

⁽³⁾ As reported in a Schedule 13G/A filed with the SEC on January 8, 2016 by BlackRock, Inc. The Schedule 13G/A states that BlackRock, Inc. has sole voting power as to 32,341,010 shares, shared dispositive power as to 18,863 shares and sole dispositive power as to 36,181,336 shares.

⁽⁴⁾ As reported in a Schedule 13G/A filed with the SEC on February 10, 2016 by The Vanguard Group. The Schedule 13G/A states that The Vanguard Group has sole voting power as to 632,423 shares, shared voting power as to 33,100 shares, sole dispositive power as to 27,897,113 shares and shared dispositive power as to 669,887 shares.

Table of Contents**SECURITY OWNERSHIP OF MANAGEMENT AND THE BOARD****SECURITY OWNERSHIP OF MANAGEMENT AND THE BOARD**

The following table sets forth information regarding the beneficial ownership of Mattel common stock as of March 24, 2016, the record date, by (i) each director and nominee for director, (ii) our NEOs, as described under the section Executive Compensation Compensation Discussion and Analysis and (iii) all current directors and executive officers of Mattel as a group.

Name of Beneficial Owner	Current Position with Mattel	Amount and
		Nature of Beneficial Ownership ⁽¹⁾⁽²⁾
Named Executive Officers		
Christopher A. Sinclair	Chairman of the Board and Chief Executive Officer	866,012
Richard Dickson	President and Chief Operating Officer	321,993
Kevin M. Farr	Chief Financial Officer	902,550
Peter D. Gibbons	Executive Vice President and Chief Supply Chain Officer	51,600
Geoffrey H. Walker	Executive Vice President and Chief Strategic Technology Officer	115,554
Bryan G. Stockton	Former Chairman of the Board and Chief Executive Officer	1,422,767
Directors		
Michael J. Dolan	Director	101,602
Trevor A. Edwards	Director	7,059
Dr. Frances D. Fergusson	Director	27,984
Ann Lewnes	Director	
Dominic Ng	Director	18,500
Vasant M. Prabhu	Director	25,984
Dean A. Scarborough	Director	23,967
Dirk Van de Put	Director	9,792
Kathy White Loyd	Director	10,760
All current Directors and Executive Officers, as a group (17 persons) ⁽³⁾		3,003,875

⁽¹⁾ Each director and executive officer named above beneficially owns or controls less than 1.0% of Mattel common stock. Except as otherwise noted, the directors and executive officers named above have sole voting power and investment power with respect to all shares of common stock shown as beneficially owned by them, subject to community property laws where applicable. There were 340,325,257 shares of Mattel common stock outstanding as of March 24, 2016.

⁽²⁾ Includes (i) shares which the individuals shown have the right to acquire upon vesting of restricted stock units (RSUs), or upon exercise of vested stock options, as of March 24, 2016 or within 60 days thereafter, and (ii) shares held through the Mattel stock fund of the Mattel, Inc. Personal Investment Plan, a 401(k) tax-qualified savings plan, as

set forth in the table below.

⁽³⁾ The amount stated represents approximately 0.88% of the outstanding shares of Mattel common stock as of March 24, 2016.

Table of Contents**SECURITY OWNERSHIP OF MANAGEMENT AND THE BOARD**

Name of Beneficial Owner	Stock Options	RSUs	401(k)	
				Shares
Named Executive Officers				
Christopher A. Sinclair	780,028	2,610		
Richard Dickson	279,846	35,814		668
Kevin M. Farr	653,835			15,997
Peter D. Gibbons	43,514	2,312		
Geoffrey H. Walker	86,026	2,445		4,637
Bryan G. Stockton	1,418,009			
Directors				
Michael J. Dolan	15,000	2,610		
Trevor A. Edwards		2,610		
Dr. Frances D. Fergusson		2,610		
Ann Lewnes				
Dominic Ng	9,000			
Vasant M. Prabhu		2,610		
Dean A. Scarborough	12,000			
Dirk Van de Put		2,610		
Kathy White Loyd				
All current Directors and Executive Officers, as a group (17 persons)	2,287,462	56,527		35,398

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

PROPOSAL 1 ELECTION OF DIRECTORS

The Board recommends that stockholders vote **FOR each of the nominees named herein for election as directors.**

Identifying and Evaluating Nominees for Director

The Board, acting through the Governance and Social Responsibility Committee, is responsible for identifying and evaluating candidates for membership on the Board. Mattel's Corporate Governance Guidelines (Guidelines) set forth the process for selecting candidates for director positions and the role of the Governance and Social Responsibility Committee in identifying potential candidates and screening them, with input from the Chairman of the Board.

Under the Guidelines, the Governance and Social Responsibility Committee is responsible for reviewing with the Board annually the skills and characteristics required of Board members given the current make-up of the Board and the perceived needs of the Board at that time. This review includes an assessment of the talents, skills, areas of expertise, experience, diversity and independence of the Board and its members. Any changes that may have occurred in any director's responsibilities, as well as such other factors as may be determined by the committee to be appropriate for review, are also considered. In addition, under the Guidelines, upon attaining age 73, a director shall not stand for re-election to the Board at the subsequent annual meeting of the stockholders.

The charter of the Governance and Social Responsibility Committee also sets forth the process by which the committee actively seeks individuals qualified to become Board members for recommendation to the Board. The committee, with input from the Chairman of the Board, screens candidates to fill vacancies on the Board, solicits recommendations from Board members as to such candidates, and considers recommendations for Board membership submitted by stockholders as described further below. The Governance and Social Responsibility Committee has retained a third-party, independent search firm to locate candidates who may meet the needs of the Board. The firm typically provides information on a select number of candidates for review and discussion by the Governance and Social Responsibility Committee. Candidates whom the committee expresses interest in pursuing meet in person with at least two members of the Governance and Social Responsibility Committee before they are selected. The committee recommends to the Board the director nominees for each annual meeting of stockholders.

The Governance and Social Responsibility Committee also has adopted a Director Nominations Policy that describes the methodology for selecting the candidates who are included in the slate of director nominees recommended to the Board and the procedures for stockholders to follow in submitting nominations and recommendations of possible candidates for Board membership. This policy also identifies the following minimum qualifications that each nominee should possess:

An outstanding record of professional accomplishment in his or her field of endeavor;

A high degree of professional integrity, consistent with Mattel's values;

Willingness and ability to represent the general best interests of all of Mattel's stockholders and not just one particular stockholder or constituency, including a commitment to enhancing stockholder value; and

Mattel, Inc. 2016 Proxy Statement

11

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

Willingness and ability to participate fully in Board activities, including active membership on at least one Board committee and attendance at, and active participation in, meetings of the Board and the committee(s) of which he or she is a member, and no commitments that would, in the Governance and Social Responsibility Committee's judgment, interfere with or limit his or her ability to do so.

The Director Nominations Policy also lists the following additional skills, experiences and qualities that are desirable in nominees:

Skills and experiences relevant to Mattel's business, operations or strategy. These skills and experiences might include, among other things, experience in senior management of a large, consumer products or multinational company, and/or senior level experience in one or more of the following areas: finance, accounting, law, strategy and business development, operations, sales, marketing, international business, information technology and/or public relations;

Qualities that help the Board achieve a balance of a variety of knowledge, experience and capability on the Board and an ability to contribute positively to the collegial and collaborative culture among Board members; and

Qualities that contribute to the Board's overall diversity—diversity being broadly construed to mean a variety of opinions, perspectives, professional and personal experiences and backgrounds, as well as other differentiating characteristics.

Lastly, a nominee's ability to qualify as an independent director of Mattel is considered in terms of both the overall independence of Mattel's Board as well as the independence of its committees.

In performing its role in the annual nomination process, the Governance and Social Responsibility Committee reviews the composition of the Board in light of the committee's assessment of the needs of the Board for additional or replacement Board members, Mattel's current business structure, operations and financial condition, challenges facing Mattel, the Board's performance and inputs from stockholders and other key constituencies, and evaluates director nominees against the criteria for nominees set forth in the Director Nominations Policy. The committee intends to review the Director Nominations Policy periodically, and anticipates that modifications may be necessary or advisable from time to time as Mattel's needs and circumstances evolve, and as applicable legal or listing standards change. Accordingly, the Governance and Social Responsibility Committee may amend the Director Nominations Policy from time to time, in which case the most current version will be available in the Corporate Governance section of Mattel's corporate website.

Stockholder Nominations

The Governance and Social Responsibility Committee will consider stockholder nominations of possible candidates for Board membership that are properly submitted pursuant to the advance notice provisions of Mattel's Bylaws and

applicable law, as well as recommendations made by stockholders, as described below. In evaluating such nominations and recommendations, the Governance and Social Responsibility Committee applies the same criteria as are used for evaluating candidates generally, as described above.

Any stockholder of Mattel may nominate one or more persons for election as a director of Mattel at an annual meeting of stockholders if the stockholder complies with the timing and other requirements for such nomination contained in the advance notice provisions of Mattel's Bylaws and applicable law. The notice should be sent to: Secretary, Mail Stop M1-1516, Mattel, Inc., 333 Continental Boulevard, El Segundo, CA 90245-5012.

Table of Contents**PROPOSAL 1 ELECTION OF DIRECTORS**

Any stockholder of Mattel may also recommend one or more persons for nomination by the Board for election as a director by sending to the Governance and Social Responsibility Committee the name of such recommended nominee, as well as a detailed statement explaining why such stockholder is making such recommendation. Any such recommendation must include all information required by Mattel's Bylaws and applicable law. Such recommendation should be sent to: Governance and Social Responsibility Committee, c/o Secretary, Mail Stop M1-1516, Mattel, Inc., 333 Continental Boulevard, El Segundo, CA 90245-5012. See the **Deadline for Future Proposals, Nominations and Recommendations by Stockholders** **Recommendations of Director Candidates** section of this Proxy Statement for a description of the procedures that are required to be followed. Mattel's Bylaws and the Director Nominations Policy are available on Mattel's corporate website at <http://corporate.mattel.com/about-us/relatedlinks.aspx>.

Director Nominees for Election

The authorized number of directors is currently set at 10 and the Board currently consists of 10 members. Based upon the recommendations of the Governance and Social Responsibility Committee, the Board has nominated the following 10 members for re-election to the Board at the Annual Meeting to serve until the next annual meeting of stockholders and until their respective successors have been duly elected and qualified, or until their earlier resignation or removal:

Michael J. Dolan
Trevor A. Edwards
Dr. Frances D. Fergusson
Ann Lewnes

Dominic Ng
Vasant M. Prabhu
Dean A. Scarborough
Christopher A. Sinclair

Dirk Van de Put
Kathy White Loyd

All of the nominees are currently directors and each nominee has consented to being named in this Proxy Statement as a nominee for election as a director and agreed to serve as a director, if elected.

If you properly submit your proxy, unless you give instructions to the contrary, the proxy holders will cast your votes for the election of the nominees listed above. If, before the Annual Meeting, any nominee becomes unavailable to serve, the Board may identify a substitute for such nominee and treat votes for the unavailable nominee as votes for the substitute. We presently believe that each of the nominees named above will be available to serve.

No nominee has any current arrangement or understanding with Mattel or, to Mattel's knowledge, any other person or persons, pursuant to which any nominee was or is to be selected as a director or nominee. None of the nominees has any familial relationship to any other nominee or to any executive officer of Mattel.

The Board, upon recommendations of the Governance and Social Responsibility Committee, selected nominees whose experiences, qualifications, attributes and skills in, among other things, leadership of large corporations, consumer products, international business, marketing and advertising, financial management and operations, information technology, commercial banking, investment banking, including mergers and acquisitions and business development, accounting, community outreach, corporate governance and public policy, led the Board to conclude that these persons should serve as our directors at this time. The Board also selected nominees with experience gained from past service with Mattel and situations confronting other companies that are comparable to those situations confronting Mattel.

Table of Contents**PROPOSAL 1 ELECTION OF DIRECTORS**

For each nominee who is standing for election, set forth below is his or her name, age, tenure as a director of Mattel, and a description of his or her principal occupation, other business experience, public company and other directorships held during the past five years and educational degrees. The specific experiences, qualifications, attributes and skills that led the Board to conclude that each nominee should serve as a director at this time are described below.

MICHAEL J. DOLAN**Age:** 69**Director Since:** 2004**Mattel Committee Memberships:**

Compensation Committee
(Chair)

Executive Committee
(Chair)

Governance and Social
Responsibility Committee

Mr. Dolan has served as Chief Executive Officer of Bacardi Limited, the largest privately held spirits company in the world, since November 2014. From May 2014 to November 2014, he served as Interim Chief Executive Officer of Bacardi. From November 2011 to May 2014, he served as Chairman of the Board and Chief Executive Officer of IMG Worldwide, a global leader in sports, fashion and media entertainment. Prior to that, Mr. Dolan served at IMG as President and Chief Operating Officer, from April 2011 to November 2011, and before that as Executive Vice President and Chief Financial Officer, from April 2010 to April 2011. He served as Executive Vice President and Chief Financial Officer of Viacom, Inc., a leading global entertainment content company, from May 2004 to December 2006. Mr. Dolan served as Senior Advisor to Kohlberg Kravis Roberts & Co., a leading private equity firm with substantial investments in many large consumer retail companies, from October 2004 to May 2005. Prior to that, he served in the following positions with Young & Rubicam, Inc., a marketing and communications company: Chairman of the Board and Chief Executive Officer (2001 to 2003), Vice Chairman and Chief Operating Officer (2000 to 2001) and Vice Chairman and Chief Financial Officer (1996 to 2000). Mr. Dolan holds bachelor's and master's degrees from Fordham University, an MBA from Columbia University, and a Ph.D. from Cornell University.

Other Directorships/Advisory Affiliations

Mr. Dolan has served on the Board of Directors of Bacardi Limited (since 2009), where he served on the Audit Committee until 2014, the Board of Directors of the March of Dimes (since 2013) and the Board of Directors of Northside Center for Child Development (since 2003). Mr. Dolan has served as Chairman of the Board of America's Choice, Inc., a developer of research-based school improvement solutions (2004 to 2010).

Key Experience/Director Qualifications

As a currently-serving Chief Executive Officer of a large global company, Mr. Dolan brings to Mattel's Board leadership, finance, global retail and branding, strategic marketing and operations experience. Mr. Dolan also brings to Mattel's Board a valuable perspective on the entertainment industry through his experience as the

former Chief Executive Officer of IMG, which is important to Mattel since many of its most popular toys are derived from licensed entertainment properties. Also, Mr. Dolan's long tenure with Young & Rubicam enables him to provide unique insights to Mattel, which is a large purchaser of advertising, in the areas of advertising and brand building. Mr. Dolan has gained valuable experience as the former Chief Financial Officer of IMG, Viacom and Young & Rubicam, where he dealt with complex accounting principles and judgments, internal controls, financial reporting rules and regulations, and evaluated the financial results and financial reporting processes of large companies. Mr. Dolan's extensive business experience across a variety of industries and service on multiple boards make him well suited to be Mattel's Independent Lead Director and to chair each of Mattel's Compensation Committee and Executive Committee, and make him an important contributor to Mattel's Governance and Social Responsibility Committee, on which he serves as a member.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

TREVOR A. EDWARDS

Mr. Edwards has served as President, NIKE Brands of NIKE, Inc., the world's leading designer, marketer and distributor of authentic athletic footwear, apparel, equipment and accessories for a wide variety of sports and fitness activities, since July 2013. From August 2006 through June 2013, Mr. Edwards served as Vice President, Global Brand & Category Management of NIKE. Mr. Edwards served as Vice President, Global Brand Management of NIKE from September 2002 to August 2006, and before that, as Vice President, U.S. Brand Marketing from 2000 to 2002, and as Vice President, EMEA Marketing from 1999 to 2000. He was NIKE's Director of Marketing for Europe from 1997 to 1999 and the Director of Marketing for the Americas from 1995 to 1997. During his career at NIKE, Mr. Edwards has led some of the brand's most significant break-through innovations, including spearheading the creation of NIKE+. In addition, he helped transform the digital landscape and position NIKE as a leader in the use of social media to connect with consumers globally. Mr. Edwards began his career at The Goldman Sachs Group, Inc. and has also held management positions at Colgate-Palmolive Company. Mr. Edwards holds a bachelor's degree in business and an MBA from Baruch College, City University of New York.

Age: 53

Director Since: 2012

Mattel Committee Memberships:

- Compensation Committee
- Governance and Social Responsibility Committee

Other Directorships/Advisory Affiliations

Mr. Edwards has served on the boards of the following non-profit entities: NIKE Foundation (since 2005) and Management Leadership for Tomorrow (since 2008).

Key Experience/Director Qualifications

Mr. Edwards brings to Mattel's Board, the Governance and Social Responsibility Committee and the Compensation Committee on which he serves as a member, two decades of marketing and global brand management experience from a large, public company. His leadership, strategy and management skills in overseeing category business units globally and all brand management functions, including digital and advertising, sports marketing, brand design, public relations and retail marketing, provide a unique perspective on Mattel's key goals and strategies for growth.

DR. FRANCES D. FERGUSON

Dr. Fergusson served as President of Vassar College from 1986 to 2006. From 1982 to 1986, Dr. Fergusson was Provost and Vice President for academic affairs at Bucknell University. In 2011, Dr. Fergusson received the Harvard Medal for her outstanding service to the University. In 1999, she also received the Centennial Medal from Harvard's Graduate School of Arts and Sciences.

Dr. Fergusson holds a bachelor's degree from Wellesley College and master's and Ph.D. degrees from Harvard University.

Age: 71

Director Since: 2006

Mattel Committee Memberships:

Executive Committee
Finance Committee
Governance and Social
Responsibility Committee (Chair)

Other Directorships/Advisory Affiliations

Dr. Fergusson has served on the Board of Directors of Pfizer Inc. (since 2009), where she is Chair of the Regulatory and Compliance Committee and serves on the Governance and Science & Technology Committees, the Ringling Foundation (since 2014), where she serves on the Executive Committee, The Getty Trust (since 2007), where she is Chair of the Compensation Committee and serves on the Finance Committee, and Second Stage Theatre (since 2006), where she serves on the Executive Committee. She has served on the Board of Directors of Wyeth Pharmaceuticals (2005-2009), where she served as Chair of the Nominating and Governance Committee and served on the Corporate Issues and Science & Technology Committees. She served as a director of HSBC Bank USA (1990-2008) and served on the Executive Committee and served as Chair of the Human Resources and Compensation Committee. Dr. Fergusson also has served on the boards of the following non-profit entities: The Mayo Clinic (1988-2002, Chair 1998-2002), Harvard University Board of Overseers (2002-2008, President 2007-2008), Vassar College

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

(President and Chair of the Executive Committee, 1986-2006), National Humanities Center (2006-2012), Foundation for Contemporary Arts (2006-2012), The Noguchi Foundation (1997-2007) and The School of American Ballet (2007-2015), where she chaired the Strategic Planning Committee.

Key Experience/Director Qualifications

As the former President of a major educational institution, Dr. Fergusson brings to Mattel’s Board her extensive general and financial management, leadership and strategic planning experience. Dr. Fergusson also brings to Mattel’s Governance and Social Responsibility Committee, on which she serves as Chair, as well as the Executive Committee and the Finance Committee, on which she serves as a member, her broad experience serving on the Boards of many large, highly-regarded for-profit and non-profit entities.

ANN LEWNES

Ms. Lewnes has served as Senior Vice President and Chief Marketing Officer of Adobe Systems Incorporated, a diversified software company that provides digital marketing and digital media solutions, since November 2006. Prior to Adobe, Ms. Lewnes was employed for more than 20 years with Intel Corporation, a leading semiconductor manufacturing company that designs, manufactures and sells integrated digital technology platforms worldwide, serving most recently as Vice President, Sales & Marketing, from January 2000 to November 2006. In 2010, she was honored with a Changing The Game Award by the Advertising Women of New York. In 2000, she was elected to the American Advertising Federation’s Hall of Achievement. Ms. Lewnes holds a bachelor’s degree from Lehigh University.

Age: 54

Director Since: 2015

Mattel Committee Memberships:

Governance and Social Responsibility Committee

Other Directorships/Advisory Affiliations

Ms. Lewnes has served on the Board of Directors of the Advertising Council (since 2009), where she served on the Executive Committee, and the Board of Directors of the Adobe Foundation since 2009, where she serves as Secretary.

Key Experience/Director Qualifications

As a global media and marketing leader in the technology industry, Ms. Lewnes brings to Mattel’s Board her strong leadership in branding, advertising, technology and

financial management marketing. She also brings to Mattel's Board and the Governance and Social Responsibility Committee experience in driving strategic growth and global demand at two public technology companies, as well as her experience serving on the boards of nonprofit entities. At Adobe, Ms. Lewnes is responsible for Adobe's corporate brand, corporate communications and integrated marketing efforts worldwide and has spearheaded the transformation of the company's global marketing efforts to be digital-first and data-driven. At Intel, Ms. Lewnes played a key role globally positioning the business and products to consumers, business professionals and key computer channels.

Table of Contents**PROPOSAL 1 ELECTION OF DIRECTORS****DOMINIC NG****Age:** 57**Director Since:** 2006**Mattel Committee Memberships:**

Audit Committee

Finance Committee

Mr. Ng has served as Chairman of the Board and Chief Executive Officer of East West Bancorp, Inc. and East West Bank, one of the largest banks based in California, since 1992, and served as President from 1992 to 2009. Prior to that, Mr. Ng served as President of Seyen Investment, Inc., from 1990 to 1992, and before that Mr. Ng spent a decade practicing as a certified public accountant with Deloitte & Touche LLP. From 2005 to 2011, Mr. Ng served as a director of the Los Angeles Branch of the Federal Reserve Bank of San Francisco. Mr. Ng transformed East West Bank from a small savings and loan association based in Los Angeles into a full service commercial bank with over 130 locations worldwide. Ranked in the top 10 of the 100 Best Banks in America by Forbes for four consecutive years (2010-2013) and rated among the 25 largest U.S. banks by market capitalization, East West Bank is a leading commercial bank that is widely known as the financial bridge between the United States and Greater China. Mr. Ng holds a bachelor's degree from the University of Houston, an honorary doctor of law degree from Occidental College and an honorary fellowship from Lingnan University in Hong Kong.

Other Directorships/Advisory Affiliations

Mr. Ng has served on the Board of Trustees of the University of Southern California (since 2014) and was a Member of the Keck School of Medicine Board of Overseers (since 2016). He also served on the Board of Directors of the Committee of 100, an international, non-profit, non-partisan, membership organization that promotes constructive relations between the people of the United States and Greater China (since 2011) and was Chairman of the Committee of 100 (2011-2014). Mr. Ng also has served on the boards of the following non-profit entities and government organizations: the United Way of Greater Los Angeles (2006-2014), The Bowers Museum (2004-2014), Pacific Council on International Policy (2010-2013), California Bankers Association (2002-2011), Federal Reserve Bank of San Francisco – Los Angeles Branch (2005-2010), Los Angeles Mayor's Trade Advisory Council as Co-Chair(2009-2011), and Southern California Committee for 2016 Olympic Games (2006-2010).

Key Experience/Director Qualifications

As a certified public accountant, Mr. Ng has gained valuable experience dealing with complex accounting principles and judgments, internal controls, financial reporting rules and regulations, and evaluating financial results and financial

reporting processes of large companies. Mr. Ng brings all of this experience to Mattel's Audit Committee where he serves, along with Messrs. Prabhu and Van de Put, as one of the Committee's three Audit Committee Financial Experts, and to the Finance Committee, on which he also serves as a member. Mr. Ng's extensive experience conducting business in China is extremely valuable to Mattel because of Mattel's large manufacturing presence in China. Mr. Ng also brings to Mattel's Board extensive business and governmental connections in the State of California and the City of Los Angeles, where Mattel is headquartered.

Table of Contents**PROPOSAL 1 ELECTION OF DIRECTORS****VASANT M. PRABHU**

Mr. Prabhu has served as Executive Vice President and Chief Financial Officer of Visa Inc., the world's largest consumer payments technology company, since February 2015. From May 2014 to February 2015, he served as Chief Financial Officer of NBCUniversal, one of the world's leading media and entertainment companies. From March 2010 to May 2014, he served as Vice Chairman and Chief Financial Officer of Starwood Hotels and Resorts Worldwide, Inc., one of the world's largest hotel and leisure companies. From 2004 to March 2010, he served as Executive Vice President and Chief Financial Officer of Starwood. From 2000 to 2003, Mr. Prabhu served as Executive Vice President and Chief Financial Officer of Safeway, Inc. From 1998 to 2000, Mr. Prabhu served as President of the Information and Media Group of McGraw-Hill. Mr. Prabhu served as Senior Vice President Finance & Chief Financial Officer of Pepsi International from 1992 to 1998. Mr. Prabhu holds a bachelor's degree in Engineering from the Indian Institute of Technology, Mumbai, India, and an MBA in Marketing and Finance from the University of Chicago.

Age: 56**Director Since:** 2007**Mattel Committee Memberships:**

Audit Committee (Chair)

Executive Committee

Finance Committee

Other Directorships/Advisory Affiliations

Mr. Prabhu has served on the Board of Directors of the U.S. India Business Counsel (2013-2014). Mr. Prabhu has served as a director and member of the Audit and Compensation Committees of the Board of Directors of Knight Ridder (2003-2006).

Key Experience/Director Qualifications

As Chief Financial Officer of a number of large public companies, Mr. Prabhu brings to Mattel's Board extensive experience dealing with complex accounting principles and judgments, internal controls, financial reporting rules and regulations, and evaluating financial results and financial reporting processes of large companies. Mr. Prabhu brings this experience to Mattel's Audit Committee, where he serves both as Chair, and along with Messrs. Ng and Van de Put, as one of the Committee's three Audit Committee Financial Experts. He also brings this experience to the Finance Committee and Executive Committee, on which he serves as a member. As Senior Vice President Finance & Chief Financial Officer of Pepsi International, Mr. Prabhu was responsible for the company's franchise and had oversight of operations in more than 100 countries. His global management and finance experience are also important to Mattel, given Mattel's significant international operations.

Mr. Scarborough has served as Chief Executive Officer of Avery Dennison Corporation, an industry leader that develops innovative identification and decorative

**DEAN A.
SCARBOROUGH**

solutions for businesses and consumers worldwide, since May 2005, and has served as Chairman of the Board of Avery since April 2010. In addition, he served as President of Avery from May 2000 through October 2014. From 2000 to May 2005, Mr. Scarborough served as President and Chief Operating Officer of Avery. He also has served on Avery's Board of Directors since May 2000. Mr. Scarborough holds a bachelor's degree from Hiram College and an MBA from the University of Chicago.

Age: 60

Director Since: 2007

Other Directorships/Advisory Affiliations

As discussed above, Mr. Scarborough has served as Chairman of the Board of Avery since 2010 and a director of Avery since 2000.

**Mattel Committee
Memberships:**

Compensation Committee

Executive Committee

Finance Committee (Chair)

Key Experience/Director Qualifications

As a currently-serving Chief Executive Officer of a large public company, Mr. Scarborough brings to Mattel's Board deep management, brand building, leadership, finance, global retail and operations experience that makes him an important contributor to the Board, the Compensation Committee and the Executive Committee, on which he serves as a member, and the Finance Committee, on which he serves as Chair. He has extensive experience in retail and distribution channels, enabling Mr. Scarborough to provide valuable perspective and insights in these areas. He also brings to Mattel's Board his experience serving on the Board of Directors of another large public company. Mr. Scarborough is a prominent member of the Los Angeles business community, where Mattel is headquartered.

Table of Contents**PROPOSAL 1 ELECTION OF DIRECTORS****CHRISTOPHER A. SINCLAIR**

Mr. Sinclair has served as Chief Executive Officer of Mattel, Inc. since April 2015, and has served as Chairman of the Board of Mattel since January 2015. He also served as Interim Chief Executive Officer of Mattel from January 2015 to April 2015. Prior to assuming the role of Chairman of the Board and Interim Chief Executive Officer, Mr. Sinclair served as the Independent Lead Director, Chairman of the Audit Committee and Chairman of the Executive Committee since 2011. From May 2002 until his retirement in July 2008, he served as Executive Chairman of Scandent Holdings, an information technology investment company. From August 2005 to January 2009, he also served as Executive Chairman of Cambridge Solutions Corporation, Ltd., a leader in providing information technology and business process outsourcing services. He served as a Managing Director of Manticore Partners, LLC, a venture capital advisory firm, from June 2000 to June 2005, as an Operating Partner of Pegasus Capital Advisors, LP, a private equity firm, from February 2000 to August 2002, and as Chairman of the Board and Chief Executive Officer of Caribiner International, Inc. from December 1998 to May 2000. Prior to that, he served as President and Chief Executive Officer of Quality Food, Inc., Chairman and Chief Executive Officer of Pepsi-Cola Company and President and Chief Executive Officer of PepsiCo Foods & Beverages International and Pepsi-Cola International for more than five years. Mr. Sinclair holds a bachelor's degree in Business Administration from the University of Kansas and an MBA from the Tuck School of Business at Dartmouth College.

Age: 65**Director Since:** 1996**Mattel Committee Memberships:**

Equity Grant Allocation Committee

Other Directorships/Advisory Affiliations

In addition to the directorships listed above, Mr. Sinclair has served on the Board of Directors of Reckitt Benckiser Group plc (since 2015), where he served on the Nominating and Audit Committees, and has previously served on the Board of Directors of Foot Locker, Inc. (1995-2008), where he served on the Finance and Compensation Committees, and Perdue Farms (1992-2000). While serving on the Board of Directors of Cambridge Solutions Corporation, Ltd. (2005-2009), he served on the Compensation and Audit Committees.

Key Experience/Director Qualifications

Mr. Sinclair brings to Mattel's Board invaluable management, leadership and strategic experience across a variety of industries, and during his tenure as a director of Mattel he has gained a deep understanding of Mattel's business and the toy industry and its cycles. He was responsible for building Pepsi-Cola's

international business, and as a result, he also brings substantial global business experience to Mattel's Board. As a former Chief Executive Officer of a large, multinational, multibrand consumer products company like Pepsi-Cola, Mr. Sinclair also gained front-line exposure to many of the issues facing a public company like Mattel, particularly on the operational, financial and corporate governance fronts, making Mr. Sinclair an important contributor to the Board. As noted above, Mr. Sinclair has extensive board experience, having served on the boards of numerous companies, including a number of emerging market growth ventures such as The Water Initiative (since 2008) and Biovittoria, Ltd. (2009-2014).

Table of Contents**PROPOSAL 1 ELECTION OF DIRECTORS****DIRK VAN DE PUT**

Mr. Van de Put has served as President and Chief Executive Officer of McCain Foods Limited, an international leader in the frozen food industry, since July 2011. From May 2010 to July 2011, he served as Chief Operating Officer of McCain Foods, and he has served on the Board of Directors of McCain Foods since May 2010. From September 2009 to May 2010, he served as President of the Global Over-the-Counter, Consumer Health division of Novartis AG, a world leader in innovative healthcare products. From 2007 to 2009, he served as President of the Americas division at Groupe Danone, a leader in the food industry in packaged water, dairy and baby food products. Mr. Van de Put served as President of the Latin America division at Groupe Danone from 1998 to 2007. In 1998, Mr. Van de Put served as President of the Caribbean division of The Coca-Cola Company and served as Vice President of the Value Chain Management, Brazil division of The Coca-Cola Company from 1997 to 1998. Mr. Van de Put holds a doctorate in veterinary medicine from the University of Ghent and an MBA from the University of Antwerp.

Age: 55

Director Since: 2011

Mattel Committee Memberships:

Audit Committee

Governance and Social Responsibility Committee

Other Directorships/Advisory Affiliations

Mr. Van de Put serves on the Board of Directors of the Consumer Goods Forum, a worldwide organization that represents hundreds of consumer product good companies and grocery retailers (since 2013).

Key Experience/Director Qualifications

As a currently-serving President, Chief Executive Officer and member of the Board of Directors of a large, multinational corporation, Mr. Van de Put brings to Mattel's Board invaluable management, finance, leadership, international, global retail and operations expertise. Mr. Van de Put contributes to Mattel's Board extensive and diversified management experience in large public and private companies in the global retail and consumer packaged goods industries. Mr. Van de Put also brings all of this experience to Mattel's Audit Committee where he serves, along with Messrs. Prabhu and Ng, as one of the Committee's three Audit Committee Financial Experts, and to the Governance and Social Responsibility Committee, where he also serves as a member.

KATHY WHITE LOYD

Ms. White Loyd has served as Executive in Residence and Faculty Member at the Bryan School of Business & Economics at the University of North Carolina Greensboro since August 2013. She founded both the Horizon Institute of Technology (in 2002) and Rural Sourcing, Inc. (in 2003) to support information technology

education and outreach. Ms. White Loyd served as Executive Vice President, e-business and Chief Information Officer of Cardinal Health, Inc. from 1999 to 2003, where she was responsible for directing the company's strategic use of information systems and the e-business organization. From 1996 to 1999, Ms. White Loyd was Senior Vice President and Chief Information Officer for Allegiance Corporation, which merged with Cardinal Health, Inc. in 1999. From 1981 to 1991, she was a tenured professor of information technology at the Bryan School of Business at the University of North Carolina. Ms. White Loyd holds a bachelor's degree in Business Education and an MBA from Arkansas State University, and an Ed.D. in Business Education from the University of Memphis.

Age: 66

Director Since: 2001

Mattel Committee Memberships:

Audit Committee

Compensation Committee

Other Directorships/Advisory Affiliations

Ms. White Loyd has served on the Board of Directors of Novell, Inc. (2003-2010), where she was a member of the Compensation and Corporate Governance Committees. She also served on the Board of the University of North Carolina Educational Foundation (2005-2009).

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

Key Experience/Director Qualifications

As a former Chief Information Officer and an information management leader, Ms. White Loyd brings to Mattel's Board unique insights into the strategic use of information technology as a competitive advantage. Such experience as well as her public company experience make Ms. White Loyd an important contributor to the Board and the Audit Committee and Compensation Committee, on which she serves as a member.

Recommendation

THE BOARD RECOMMENDS A VOTE **FOR EACH OF THE NOMINEES NAMED HEREIN FOR ELECTION AS DIRECTORS.**

Table of Contents

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

BOARD INDEPENDENCE AND ACCOUNTABILITY

Board Independence Determination

Mattel's Board has adopted Corporate Governance Guidelines consistent with Nasdaq listing standards that include qualifications for determining director independence. These provisions incorporate Nasdaq's categories of relationships between a director and a listed company that would make a director ineligible to be independent.

The Board has affirmatively determined that each of the current directors of Mattel, except Christopher A. Sinclair, our CEO, is independent within the meaning of both Mattel's and Nasdaq's director independence standards, as currently in effect, and has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Furthermore, the Board has determined that each of the members of our Audit Committee, Compensation Committee and Governance and Social Responsibility Committee is independent within the meaning of Nasdaq director independence standards applicable to members of such committees, as currently in effect. The Audit Committee members also meet the specific membership criteria for members of audit committees under the applicable Nasdaq listing standards and SEC rules. The Compensation Committee members also qualify as non-employee directors and outside directors within the meaning of Section 16 of the Securities and Exchange Act of 1934, as amended (Exchange Act) and Section 162(m) of the Internal Revenue Code, respectively.

In making these determinations, the Board considered, among other things, ordinary course commercial relationships with companies at which Board members then served as executive officers (including Adobe Systems Incorporated and Avery Dennison Corporation). The aggregate annual amounts involved in these commercial transactions were less than the greater of \$200,000 or 5% of the annual consolidated gross revenues of these companies, and our Board members were not deemed to have a direct or indirect material interest in those transactions. The Board has determined that none of these relationships are material and that none of these relationships impair the independence of any non-employee director.

Board Evaluations

The Board conducts an annual self-evaluation process to assess effectiveness at both the Board and Committee levels. The three key areas of focus for the evaluation are Board operations, Board accountability and Board Committee performance. The Chair of the Governance and Social Responsibility Committee is responsible for leading the annual review and makes herself available for private sessions with Board members during the evaluation process. Comments are aggregated, summarized and reviewed with the full Governance and Social Responsibility Committee. The results of the evaluation are then reviewed with each Committee and the full Board.

Table of Contents

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

This annual evaluation process has resulted in several improvements in Board effectiveness, including enhanced agenda item selection, better discussion formats and greater interaction with Mattel's CEO and management team. In addition, the Governance and Social Responsibility Committee conducts an annual review of our Board's composition and skillsets and makes recommendations to the Board accordingly. This review includes an assessment of the talent base, skills, areas of expertise and experience, diversity and independence of the Board and its members, and consideration of any recent changes in a director's outside employment and responsibilities.

Director Succession and Search Process

The Board has a robust director succession and search process. The Board retains a third-party, independent search firm to assist with the search for new effective directors. The Board has worked diligently to ensure the right balance between long-term, institutional knowledge and fresh perspectives on the Board. While three of the directors have been on the Board for over 10 years, the Board has also added three new independent directors in the past five years. The Board continues to be very thoughtful and proactive about this process.

Board Leadership Structure

The Board believes that one of its most important responsibilities is to evaluate and determine the most appropriate Board leadership structure for Mattel so that it can provide effective, independent oversight of management and facilitate its engagement in, and understanding of, Mattel's business. To carry out this responsibility, Mattel's corporate governance documents empower the Board to evaluate and determine the optimal leadership structure for the Company in relation to Mattel's specific characteristics or circumstances at any given time. As part of its evaluation, the Board assesses which structure is in the best interests of Mattel and its stockholders, and retains the authority to determine the most effective leadership structure for the Company, including separating the positions of Chairman and CEO, when they believe it is appropriate. This governance structure provides the Board maximum flexibility to determine the leadership structure best suited to support the business.

The Board most recently conducted its evaluation of Board leadership structure following our Chairman and CEO transition in January 2015. At that time, Mr. Sinclair, formerly the Board's Independent Lead Director, was appointed as Chairman and Interim CEO. In April 2015, Mr. Sinclair was appointed Chairman and CEO by the independent directors of the Board. Following a thoughtful evaluation of the appropriate leadership structure and in consideration of feedback received through stockholder engagement, the Board determined that having combined Chairman and CEO positions, counterbalanced by a strong, independent Board led by an Independent Lead Director, best serves Mattel and its stockholders at this time.

Mr. Sinclair served as an independent director on the Board since 1996, and as Independent Lead Director and Chair of the Audit Committee and Executive Committee since 2011. Through his experience as a director and long history of overseeing the Company's management team, Mr. Sinclair has developed in-depth knowledge of Mattel's operations as well as the markets in which Mattel competes. In addition, Mr. Sinclair's substantial experience leading global, multi-brand, consumer-focused companies makes him particularly well suited to lead the Company in the Chairman and CEO roles.

Table of Contents**THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

The Board continues to believe that it is best for Mattel and its stockholders to have the same individual serve as Chairman and CEO. This promotes decisive, unified leadership as well as clarity with respect to responsibility and accountability. Furthermore, a combined Chairman and CEO acts as an effective bridge between management and the Board, encouraging, along with the Independent Lead Director, strong information flows so that both groups act with a common purpose. This structure also facilitates short-term crisis management and long-term strategic planning. The CEO has an in-depth knowledge of Mattel's operations, as well as the industries and markets in which Mattel competes. As such, the Board believes that the CEO, rather than an outside director, will be in the best position to bring valuable insights, business issues, market opportunities and risks to the Board's attention for review and deliberation. Most importantly, combining the roles of Chairman and CEO builds a cohesive corporate culture, allowing Mattel to speak with a single voice both inside and outside the Company.

To counterbalance Mr. Sinclair's leadership role as Chairman and CEO, the independent members of the Board elected an Independent Lead Director with specifically enumerated powers and responsibilities to provide consistent oversight of management during the turnaround (see below for additional details). This structure strikes the optimal balance between unified leadership and effective independent oversight for Mattel at this time. Going forward, our Board will continue to evaluate its leadership structure in order to ensure it aligns with and supports the evolving needs and circumstances of the Company and its stockholders.

Independent Lead Director Responsibilities

The Board recognizes the importance of strong independent Board leadership. As such, the independent directors of the Board elect an Independent Lead Director when the Chairman is not independent. The Board believes that the Independent Lead Director provides the same independent leadership, oversight and benefits for the Company and Board that would be provided by an independent Chairman.

The Independent Lead Director's duties include the following significant responsibilities:

- ü Presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;
- ü Serves as liaison between the Chairman and the independent directors;
- ü Approves information sent to the Board;
- ü Approves meeting agendas for the Board;
- ü Approves schedules of meetings to assure that there is sufficient time for discussion of all agenda items;
- ü Has the authority to call meetings of the independent directors; and
- ü If requested by major stockholders, ensures that he is available for consultation and direct communication.

The independent directors of the Board have appointed Mr. Dolan to serve as the Board's Independent Lead Director. Mr. Dolan has significant experience on the Board, serving as an independent director on the Board since 2004 and as Chair of the Compensation Committee and the Executive Committee, and as a member of the Governance and Social Responsibility Committee. The Board believes that Mr. Dolan's extensive business experience across a variety of industries, unique insights in the areas of advertising and brand building, and service on multiple boards of directors make him well qualified to serve as Independent Lead Director of Mattel. The Board believes that the appointment of Mr. Sinclair as Chairman and CEO and Mr. Dolan as Independent Lead Director best serves Mattel and its

stockholders at this time, as the Company executes on its turnaround to drive growth and improved profitability.

24 **Mattel, Inc.** 2016 Proxy Statement

Table of Contents

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

BOARD RESPONSIBILITIES

Robust Stockholder Engagement

In 2015, we enhanced our stockholder engagement efforts to gain a better understanding of stockholder perspectives on a range of board, governance and compensation matters of particular importance to Mattel. An independent member of our Board together with our management met with stockholders representing more than 40%, in total, of Mattel's outstanding shares. We gathered important feedback from our stockholders on topics including our turnaround strategy, board leadership structure, corporate governance practices and our executive compensation program. These engagement efforts informed certain changes made by the Compensation Committee to our executive compensation programs in 2016. We will continue to reach out to our stockholders going forward to help inform boardroom discussions on critical Board, governance and compensation matters.

Risk Oversight

Role of Full Board in Risk Oversight

The full Board is responsible for overseeing Mattel's ongoing assessment and management of material risks impacting Mattel's business. The Board relies on Mattel's management to identify and report on material risks, and relies on each of the Board's committees to oversee management of specific risks related to each committee's function. The Board engages in risk oversight throughout the year and specifically focuses on risks facing Mattel each year at a regularly scheduled Board meeting.

Role of Management in Risk Oversight

Consistent with their role as active managers of Mattel's business, our senior executive officers play the most active role in risk management, and the Board looks to such officers to keep the Board apprised on an ongoing basis about risks impacting Mattel's business and how such risks are being managed. Each year as part of Mattel's risk evaluation process performed by its internal audit team, Mattel's most senior executive officers, including the Chief Legal Officer, provide input regarding material risks facing the business group or function that each manages. These risks are reviewed with the Audit Committee and also are presented to the full Board along with a discussion of Mattel's strategy for managing these risks. Since much of the Board's risk oversight occurs at the committee level, Mattel believes that this process is important to ensure that all directors are aware of Mattel's most material risks.

Role of Board Committees in Risk Oversight

The Board's committees assist the full Board in overseeing many of the risks impacting Mattel's business.

The Audit Committee oversees the Company's assessment and management of Mattel's material financial reporting and accounting risks, including the steps management has taken to monitor and control such risks. The Audit Committee is also responsible for overseeing Mattel's compliance risk, which includes risk relating to Mattel's compliance with laws

and regulations.

The Compensation Committee oversees and assesses material risks associated with Mattel's compensation structure, policies and programs generally, including those that may relate to pay mix, selection of

Table of Contents

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

performance measures, the goal setting process, and the checks and balances on the payment of compensation. See Compensation Risk Review for a more detailed description of the Compensation Committee's review of potential pay risk.

The Finance Committee oversees and reviews with management risks relating to capital allocation and deployment, including Mattel's credit facilities and debt securities, capital expenditures, dividend policy, and mergers and acquisitions. The Finance Committee also oversees third-party financial risks, which includes risks arising from customers, suppliers, subcontractors, creditors, debtors, counterparties in hedging transactions and others.

The Governance and Social Responsibility Committee oversees and reviews with management risks relating to governance and social responsibility matters, including succession planning, environmental and health and safety compliance, sustainability, corporate citizenship, community involvement, global manufacturing principles, diversity and equal opportunity, philanthropy and charitable contributions, and public policy and governmental relations.

Exclusive Forum Provision

On August 26, 2015, the Board amended Mattel's Amended and Restated Bylaws (the Bylaws) to include an exclusive forum provision that specifies the courts of the State of Delaware as the exclusive forum for stockholders to file derivative and other corporate law claims. This amendment was adopted in accordance with recent changes to the Delaware General Corporation Law, effective August 1, 2015, which explicitly authorized Delaware corporations to adopt exclusive forum selection provisions such as the provisions in the amendment to our Bylaws.

The Board determined that adoption of this provision is in the best interests of Mattel and its stockholders for a number of reasons, including, among others, the importance of preventing unnecessary diversion of corporate resources to address costly, wasteful and duplicative multi-forum litigation, facilitating increased consistency and predictability in litigation outcomes for the benefit of Mattel and its stockholders and recent statutory developments in Delaware and case law developments in other jurisdictions upholding the Board's authority to adopt such bylaws and their validity. In making its determination, the Board considered the fact that Mattel had directly experienced the burdens and high costs of such duplicative, multi-forum litigation in connection with actions filed in 2006 and 2007. Had the Bylaws included an exclusive forum provision at that time, Mattel would have been able to limit plaintiffs' ability to pick, choose and strategically switch forums, thereby reducing Mattel's costs as well the risk of inconsistent decisions by different courts. The Board also determined that the amendment preserves the ability of the Company to consent to an alternative forum and, importantly, preserves the ability of stockholders to bring, subject to applicable law, the kinds of litigation addressed by the amendment.

Table of Contents**THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE****BOARD GENERAL INFORMATION****Board Meetings**

During 2015, the Board held eight meetings. No director attended less than 75% of the aggregate of all Board meetings and all meetings held by any committee of the Board on which he or she served.

Policy Regarding Attendance of Directors at the Annual Meeting of Stockholders

Each member of Mattel's Board is expected, but not required, to attend Mattel's annual meeting of stockholders. There were 10 directors at the time of the 2015 Annual Meeting of Stockholders and nine directors attended the meeting.

Board Committees

Our Board has established six principal committees: the Audit Committee, the Governance and Social Responsibility Committee, the Compensation Committee, the Executive Committee, the Finance Committee and the Equity Grant Allocation Committee. Each of the Audit Committee, the Governance and Social Responsibility Committee and the Compensation Committee has a written charter that is reviewed annually and revised as appropriate. A copy of each of these committees' current charter is available on our website at <http://corporate.mattel.com/about-us/bios.aspx>.

The current chairs and members of the committees are identified in the following table:

Director	Audit Committee	Governance and Social Responsibility Committee	Compensation Committee	Executive Committee	Finance Committee	Equity Grant Allocation Committee
Non-Employee Directors						
Michael J. Dolan*		M	C	C		
Trevor A. Edwards		M	M			
Dr. Frances D. Fergusson		C		M	M	
Ann Lewnes		M				
Dominic Ng	M					M
Vasant M. Prabhu	C			M	M	
Dean A. Scarborough				M	C	
Dirk Van de Put	M	M				
Kathy White Loyd	M		M			

Employee Director

Christopher A. Sinclair

M

C Chair

M Member

* Independent Lead Director

Table of Contents

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Audit Committee

The Board has determined that each member of the Audit Committee meets the SEC and Nasdaq independence requirements for members of audit committees. The Board has further determined that each member of the Audit Committee satisfies the financial sophistication requirements of the Nasdaq listing standards, and that Mr. Prabhu, the Chair of the Audit Committee, and Messrs. Ng and Van de Put are all Audit Committee Financial Experts, as such term is defined under SEC rules.

During 2015, the Audit Committee held 12 meetings.

The purpose of the Audit Committee is to provide assistance to the Board in fulfilling the Board's oversight responsibilities regarding:

The quality and integrity of Mattel's financial reports;

The independence, qualifications and performance of Mattel's independent registered public accounting firm;

The performance of Mattel's internal audit function; and

Mattel's compliance with legal and regulatory requirements.

The Audit Committee has the sole authority to appoint or replace the independent registered public accounting firm. The committee is directly responsible for the compensation and oversight of the work of the independent registered public accounting firm for the purpose of preparing or issuing an audit report or related work. The independent registered public accounting firm reports directly to the committee.

Additional duties and responsibilities of the Audit Committee are outlined in the committee's charter and include the following:

To meet with the independent registered public accounting firm and management in connection with each annual audit to discuss the scope of the audit and the procedures to be followed;

To review and discuss Mattel's quarterly and annual financial statements with management, the independent registered public accounting firm and the internal audit group;

To discuss with management and the independent registered public accounting firm Mattel's practices with respect to risk assessment, risk management and critical accounting policies;

To review periodically with the Chief Legal Officer the implementation and effectiveness of Mattel's compliance and ethics programs;

To discuss periodically with the independent registered public accounting firm and the senior internal auditing officer the adequacy and effectiveness of Mattel's accounting and financial controls, and consider any recommendations for improvement of such internal control procedures; and

To pre-approve audit services, internal-control-related services and permitted non-audit services to be performed for Mattel by its independent registered public accounting firm.

Governance and Social Responsibility Committee

All of the members of the Governance and Social Responsibility Committee are independent directors.

During 2015, the Governance and Social Responsibility Committee held four meetings.

Table of Contents

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The primary purposes of the Governance and Social Responsibility Committee are:

To assist the Board by identifying individuals qualified to become Board members, consistent with the criteria approved by the Board, and to select, or to recommend that the Board select, the director nominees for the next annual meeting of stockholders;

To assist the Board in evaluating potential executive candidates in succession planning;

To develop and recommend to the Board the Corporate Governance Guidelines applicable to Mattel;

To lead the evaluation of the Board's performance;

To evaluate, and make recommendations to the Board regarding, the independence of the Board members;

To recommend director nominees for each committee of the Board;

To assist the Board with oversight and review of social responsibility matters such as sustainability, corporate citizenship, community involvement, diversity and equal opportunity matters, global manufacturing principles, public policy matters and environmental, health and safety issues; and

To provide oversight with regard to philanthropic activities.

The committee also works closely with the CEO and other members of Mattel's management to ensure that Mattel is governed effectively and efficiently.

Compensation Committee

All of the members of the Compensation Committee are independent directors. We intend that the members also qualify as "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code and as "non-employee directors" within the meaning of the Rule 16b-3 of the Exchange Act.

During 2015, the Compensation Committee held seven meetings.

The purpose of the Compensation Committee is to develop, evaluate and, in certain instances, approve or determine the compensation structure, plans, programs and practices of Mattel. The committee has the authority to undertake and may exercise all of the powers of the Board with respect to the specific responsibilities listed in the committee's charter, including:

Approving all forms of compensation to be provided to the CEO and all other executives who are subject to Section 16 of the Exchange Act;

Annually reviewing and approving corporate goals and objectives relevant to the CEO, and reviewing and evaluating the CEO's performance;

Administering Mattel's short- and long-term incentive programs and equity compensation plans;

Reviewing the form and amount of non-employee directors' compensation; and

Assessing material risks associated with our compensation structure, policies and programs generally. In performing its duties, the Compensation Committee reports and, as appropriate, makes recommendations to the Board regarding executive compensation programs and practices. The Compensation Committee also informs the non-management directors of the Board of its decisions regarding compensation for the CEO and other senior executives.

Table of Contents

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The Compensation Committee has access to, and in its discretion may meet with, any officer or other employee of Mattel or its subsidiaries. The committee meets at least once each calendar year without the CEO present and often has executive sessions where no Mattel officer or employee is present. The committee has the authority to retain independent legal or other advisors, to the extent it deems necessary or appropriate.

The Compensation Committee has retained Frederic W. Cook & Co., Inc. (Cook & Co.) as its independent compensation consultant since August 2007 to provide the committee with advice and guidance on the design of our executive compensation programs and the evaluation of our executive compensation. Cook & Co. has not performed and does not currently provide any services to management or Mattel. Each year the Compensation Committee reviews the independence of the compensation consultants and other advisors who provide advice to the Compensation Committee, employing the independence factors specified in the Nasdaq listing standards. The Compensation Committee has determined that Cook & Co. is independent within the meaning of the committee's charter and Nasdaq listing standards, and the work of Cook & Co. for the committee does not raise any conflicts of interest. Cook & Co. attends Compensation Committee meetings when invited and meets with the Compensation Committee without management. Cook & Co. provides the Compensation Committee with third-party data and analysis as well as advice and expertise on competitive compensation practices and trends, executive compensation plan and program design, and proposed executive and director compensation. Cook & Co. reports directly to the Compensation Committee and, as directed by the Compensation Committee, works with management and the Chairman of the Compensation Committee. In 2015, Cook & Co. assisted the Compensation Committee on the following matters:

Analyzing and advising on:

The base salaries, target and actual annual incentives, bonus leverage, long-term incentives, target and actual total direct compensation (TDC) and all other compensation for our CEO, his direct reports and other EVPs as compared to the compensation of their counterparts at our comparator peer companies;

Our MIP design, provisions and practices; and

Our LTI design, provisions and practices;

Reviewing and advising regarding our comparator peer companies;

Assessing if our compensation structure, plans, programs and practices present any risk;

Reviewing and advising on our 2015 Proxy Statement;

Reviewing and advising on our Amended and Restated 2010 Equity and Long-Term Compensation Plan;

Providing executive compensation regulatory and legislative updates; and

Advising regarding institutional advisers' voting policies and market trends.

The Compensation Committee retains its authority over, and is responsible for, all compensation decisions.

Other Board Committees

All of the members of the **Executive Committee** are independent directors. During 2015, the Executive Committee held two meetings. The Executive Committee may exercise all the powers of the Board, subject to limitations of applicable law, between meetings of the Board.