

MATTEL INC /DE/
Form DEF 14A
April 05, 2018
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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:

- (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:

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

- (3) Filing Party:

- (4) Date Filed:

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**2018 Proxy Statement
and Notice of Annual Meeting
of Stockholders to be Held on May 17, 2018**

Table of Contents**NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS****Mattel, Inc.****Notice of 2018 Annual Meeting of Stockholders**

The 2018 Annual Meeting of Stockholders of Mattel, Inc. (**Mattel** or the **Company**) will be held on May 17, 2018 at 12:15 p.m. (Los Angeles time) at the Mattel Conference and Leadership Center, 1955 East Grand Avenue, El Segundo, California 90245 (including any adjournment or postponement thereof, the **2018 Annual Meeting**).

We will consider and act on the following matters of business at the 2018 Annual Meeting:

	Matter	Our Board's Recommendations
Proposal 1	Election of the ten director nominees named in the Proxy Statement: R. Todd Bradley, Michael J. Dolan, Trevor A. Edwards, Margaret H. Georgiadis, Ynon Kreiz, Soren T. Laursen, Ann Lewnes, Dominic Ng, Vasant M. Prabhu, and Rosa G. Rios	FOR each Director Nominee
Proposal 2	Ratification of the selection of PricewaterhouseCoopers LLP as Mattel's independent registered public accounting firm for the year ending December 31, 2018	FOR
Proposal 3	Advisory vote to approve named executive officer compensation (Say-on-Pay)	FOR
Proposal 4	Approval of a First Amendment to the Mattel, Inc. Amended and Restated 2010 Equity and Long-Term Compensation Plan	FOR
Proposal 5	Stockholder proposal regarding an independent Board Chairman, if properly presented Such other business as may properly come before the 2018 Annual Meeting	AGAINST

If you were a holder of record of Mattel common stock at the close of business on March 23, 2018, you are entitled to notice of, and to vote at, the 2018 Annual Meeting.

The Mattel Conference and Leadership Center is accessible to those who require special assistance. If you require special assistance, please call 310-252-4500. **Whether or not you expect to attend the 2018 Annual Meeting, please submit a proxy to vote as soon as possible so that your shares will be represented and voted at the 2018 Annual Meeting.**

By Order of the Board of Directors

Robert Normile

Secretary

El Segundo, California

April 5, 2018

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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 2017 financial performance, please review our Annual Report on Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission (SEC) on February 27, 2018.

Meeting Information and Mailing of Proxy Materials

Date:	May 17, 2018
Time:	12:15 p.m. (Los Angeles time)
Location:	Mattel Conference and Leadership Center, 1955 East Grand Avenue, El Segundo, California 90245
Record Date:	March 23, 2018
Mailing Date:	On or around April 5, 2018, 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 Ten Director Nominees (page 28)	FOR each Director Nominee
Proposal 2	Ratification of PricewaterhouseCoopers LLP as our Independent Accounting Firm for 2018 (page 46)	FOR

Proposal 3	Advisory Vote to Approve Named Executive Officer Compensation (Say-on-Pay) (page 114)	FOR
Proposal 4	Approval of First Amendment to Mattel, Inc. Amended and Restated 2010 Equity and Long-Term Compensation Plan (page 115)	FOR
Proposal 5	Stockholder Proposal Regarding Independent Board Chairman, if properly presented (page 130)	AGAINST

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Director Nominees Reflect Strong Board Refreshment

New Directors in 2017

The Board remains focused on aligning our directors' collective skills and expertise with Mattel's evolving business strategy. Accordingly, the Board of Directors (the "Board") added two new directors in 2017:

Ms. Georgiadis, our Chief Executive Officer ("CEO"), joined us from Google Inc. in February 2017.

Ynon Kreiz, the former Chairman of the Board and CEO of Maker Studios, Inc., a global digital media and content network company that was acquired by The Walt Disney Company, and a current director of Warner Music Group Corp., joined us in June 2017. The Board subsequently appointed Mr. Kreiz as Executive Chairman of the Board effective upon his election to the Board at the 2018 Annual Meeting. Please refer to page 13 for additional detail on the Board's process in determining Mattel's go-forward Board leadership structure.

New Independent Director Nominees

Additionally, in March 2018, the Board selected three new independent director nominees to stand for election to the Board at the 2018 Annual Meeting:

R. Todd Bradley brings deep technology expertise to the Board, having most recently served as CEO of Mozido, Inc., a digital payment and mobile commerce provider. Prior to that, Mr. Bradley served as President of TIBCO Software, Inc., and held senior leadership positions with the Hewlett-Packard Company, including Executive Vice President of Strategic Growth Initiatives.

Soren T. Laursen provides strong toy industry executive experience, having most recently served as CEO of TOP-TOY, a retailer of toys and children's products in the Nordic region. Mr. Laursen also has held a variety of senior leadership roles with The LEGO Group, including President of LEGO Systems, Inc.

Rosa G. Rios brings significant expertise in finance, real estate, manufacturing, and community development to Mattel's Board. As the former Treasurer of the United States, Ms. Rios provides experience implementing efficiencies and innovative concepts while meeting increased production demand and increasing employee morale. Each additional director and director nominee further strengthens Board expertise in areas that are integral to Mattel's transformation efforts, including digital content and entertainment, financial management, retail and commercial

leadership, technology integration, and toy industry knowledge.

On November 17, 2017, Dirk Van de Put resigned from our Board in order to focus on his new role and increased responsibilities as CEO of Modelez International, Inc. Mr. Sinclair, who currently serves as our Executive Chairman of the Board, intends to retire from the Board at the end of his current term and will not be standing for re-election to the Board at the 2018 Annual Meeting. Dr. Fergusson will have reached Mattel's mandatory retirement age at the time of the 2018 Annual Meeting and, accordingly, will not stand for re-election to the Board. Mr. Scarborough and Ms. White Loyd also have notified us that they will not be standing for re-election to the Board in order to focus on their other professional and personal commitments.

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Name	Independent	Principal Occupation/	Director	Mattel Committee Memberships
		Key Experience	Since	
R. Todd Bradley		Former Chairman of the Board and Chief Executive Officer of Mozido, Inc.	New Director Nominee	
Michael J. Dolan ⁽¹⁾		Former Chief Executive Officer and Director of Bacardi Limited	2004	Compensation (Chair) Executive (Chair)
Trevor A. Edwards		Former President of NIKE Brand of NIKE, Inc.	2012	Governance and Social Responsibility Compensation
Margaret H. Georgiadis		Chief Executive Officer and Director of Mattel, Inc.	2017	Governance and Social Responsibility Equity Grant Allocation
Ynon Kreiz ⁽²⁾		Former Chairman of the Board and Chief Executive Officer of Maker Studios, Inc.	2017	Finance
Soren T. Laursen		Former Chief Executive Officer of TOP-TOY	New Director Nominee	
Ann Lewnes		Executive Vice President and Chief Marketing Officer of Adobe Systems Incorporated	2015	Governance and Social Responsibility
Dominic Ng ⁽³⁾		Chairman of the Board and Chief Executive Officer of East West Bancorp, Inc. and East West Bank	2006	Audit Finance
Vasant M. Prabhu ⁽³⁾		Executive Vice President and Chief Financial Officer of Visa Inc.	2007	Audit (Chair) Executive
Rosa G. Rios		Chief Executive Officer of	New	Finance

Red River Associates, Inc. Director
Nominee

(1) Independent Lead Director

(2) Effective upon his election to the Board at the 2018 Annual Meeting, Mr. Kreiz will be Executive Chairman (and, therefore, no

longer an independent director) and will no longer serve on the Finance Committee.

(3) Audit Committee Financial Expert

The Board continues to work diligently to ensure the right balance between long-term, institutional knowledge, and fresh perspectives on the Board. The Board believes that the current mix of director tenures provides Mattel with an optimal balance of knowledge, experience, and capability. This mix allows the Board to leverage the deep Company knowledge of, and experience with, Mattel from longer-tenured directors as well as the new viewpoints, experiences, and ideas from newer directors in its oversight of management and our continued transformation efforts.

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Corporate Governance Highlights

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

Corporate Governance Practices	Board Practices
Annual Board elections	Routine review of Board leadership structure
Majority voting standard	Annual Board and Committee evaluations
Robust Independent Lead Director role with significant responsibilities	Robust director succession and search process
Stockholder right to call special meetings	Annual review and evaluation of the CEO's performance by independent directors
Stockholder right to proxy access	Quarterly executive sessions held without management present
Stockholder ability to remove directors with or without cause	Comprehensive risk management with Board and Committee oversight
Stockholder ability to act by written consent	9 of 10 director nominees are independent*

* Effective upon Mr. Kreiz's election to the Board at the 2018 Annual Meeting, he will be Executive Chairman and, therefore, no longer an independent director.

Stockholder Engagement

Stockholder feedback is an important consideration for our Board, helping to shape our practices.

We have established a robust stockholder engagement program, which includes proactive and responsive dialogue with a broad range of our stockholders. This engagement helps inform the Board's understanding of stockholder perspectives on a wide range of matters. Stockholder dialogue is a year-round practice for Mattel. During 2017, a year of tremendous leadership and business transformation, our dialogue with stockholders was primarily focused on the progress of our strategic transformation, our leadership changes, the performance of the Company, and how our Board and management team are driving value for our stockholders. The input and perspectives provided by our stockholders are highly valued, particularly at such a critical period for our Company, and we have processes in place to ensure that feedback received from our stockholders is relayed directly to the Board to help inform our practices. As we continue to execute on our transformation, we look forward to ongoing stockholder engagement.

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2017 Financial and Business Highlights

In 2017, we made tough decisions to reset our business and lay the groundwork for continued progress on our transformation in 2018.

During the year, our new leadership identified a clear go-forward strategy anchored by the following five strategic pillars to reposition Mattel for future revenue improvement and profit growth.

Mattel's Five-Pillar Strategy

- Build Mattel's Power Brands (American Girl, Barbie, Fisher-Price, Hot Wheels, and Thomas & Friends) into connected 360-degree play systems and experiences
- Accelerate emerging markets growth with digital-first solutions
- Focus and strengthen Mattel's innovation pipeline
- Reshape Mattel's operations to be leaner, faster, and smarter via commercial realignment, supply chain transformation, and IT transformation
- Reignite Mattel's culture and team

2017 was an extraordinary year for Mattel as we faced multiple, significant dislocations driven by tighter retail inventory management, planning misalignments, mixed brand performance, and the Toys 'R Us bankruptcy. Collectively, these contributed substantially to top-line and bottom-line pressures.

Profitability in the year was primarily impacted by the proliferation of stock keeping units (SKUs) and brands, that led to an increase in closeout sales and unfavorable product mix, as well as increased obsolescence expense, and freight and logistics challenges. After examining the business, management announced a structural simplification after the third quarter to right size our cost structure. By structurally simplifying our business, we plan to eliminate at least \$650 million in net costs over the next two years, which will unlock substantial resources to invest in our transformation plan.

Key 2017 Financial Results

Net sales were \$4.88 billion, an 11% decrease as compared to 2016
Gross sales* were \$5.51 billion, a 9% decrease as compared to 2016
Gross margin was 37.3%, a decrease of 950 basis points from 2016
Operating loss was \$342.8 million, as compared to operating income of \$519.2 million in 2016
Diluted net loss per share in 2017 was \$3.07, as compared to diluted earnings per share of \$0.92 in 2016

* Gross sales is a non-GAAP financial measure. For a reconciliation of gross sales to net sales, the most directly comparable GAAP financial measure, please see pages 49 to 50 of our Annual Report on Form 10-K filed with the SEC on February 27, 2018.

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The following shows our Total Stockholder Return (TSR⁽¹⁾) performance as compared to the median of our peer group for periods ending December 31, 2017, when our closing stock price was \$15.38:

Period	Mattel	Peer Group
1 year	-41.9%	17.5%
3 year	-16.7%	6.3%
5 year	-12.0%	13.4%

⁽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.

Despite the challenges, we took action in 2017 to transform our business and reset our economic model for the future. Throughout the year, right sizing retail inventory levels remained a critical priority. We ended 2017 with significantly reduced retail inventories, and with point of sale (POS) and shipping more aligned for most of our brands.

We are driving strong progress on our structural simplification cost savings initiative, which is a cornerstone to restoring profitability. We began taking action in the fourth quarter of 2017 by de-layering the organization, eliminating \$50 million of payroll expense on an annualized basis exiting 2017; implementing SKU reduction initiatives resulting in a \$21 million tooling write-off; and deploying comprehensive zero-based budgeting, where all spending is evaluated as part of our 2018 budgeting process to determine whether it is necessary and consistent with driving our overall business objectives. We expect to achieve approximately 40% of the total savings in 2018 primarily through process simplification and the optimization of selling, general and administrative expenses (SG&A), cost of goods sold, and advertising. This estimate represents a greater portion of the overall reduction target than initially anticipated.

As we drive savings through structural simplification, we also remain committed to strategic investments to help

Mattel promote top-line growth and improve profitability. In 2017, we spent approximately \$30 million on strategic investments including our China strategic partnerships, IT transformation, connected 360-degree play systems and experiences, Hot Wheels connected products, and key external hires.

In 2018, we will be making staged investments across multiple pillars of our strategy as we continue to focus on building out our connected 360-degree play systems and experiences for our Power Brands, unlocking our intellectual property (IP) in the form of both content and gaming, and will be accelerating our progress on consumer products and live experiences to provide a truly immersive experience for our consumers. We will also be reshaping our operations through an IT transformation that will help us become a leaner, faster, and smarter organization. We will continue to invest in emerging markets as we lean into our partnerships in China and expand beyond the traditional toy model. Additionally, we will be investing to strengthen our innovation pipeline by leveraging co-productions to create and partner on our new IP as well as supporting our recently formed incubator, which is focused on launching on-trend products.

The implementation of our strategy in conjunction with our structural simplification cost savings initiative should restore profitability, drive revenue growth, and maximize long-term stockholder value over time.

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Key progress points in 2017 in connection with our transformation efforts include:

Transformation Progress

We are resetting our economic model with a \$650 million structural simplification cost savings initiative so that we can deliver improving margins

We are starting 2018 in a much better position in terms of retail inventory levels than the prior year

We have a new leadership team and a stronger organizational structure

We remain committed to our strategic investments, spending approximately \$30 million in 2017 and \$170 million more planned, with approximately half being spent in 2018 and half in 2019

We are rapidly executing against our strategy with new content, new distribution deals, and new partnerships

2017 Leadership Transformation and Looking Ahead

Throughout 2017, we reshaped our leadership team to help accelerate Mattel's transformation.

Executive Leadership Team

As part of the Board's ongoing review of Mattel's long-term strategy and execution, we implemented a CEO transition in 2017. On February 8, 2017, Ms. Georgiadis became our CEO, and Mr. Sinclair, our former CEO, became

Executive Chairman of the Board. Ms. Georgiadis, who was President, Americas at Google Inc. prior to joining Mattel, brings with her significant experience in technology, marketing, consumer insights, e-commerce, finance, leadership, global business, strategy, and business development. She has proven ability to foster innovation, experience in building partnerships on a global scale, expertise in leading complex organizations, and experience in engaging consumers and retail partners in a rapidly evolving industry. At Google, she successfully led efforts to deliver above market growth and profitability by creating transformational partnerships across content, media, and technology providers and through innovation in product development and customer engagement.

After joining Mattel as CEO, Ms. Georgiadis worked with the Board to make key strategic hires in 2017 to reshape our leadership team:

Joseph J. Euteneuer was appointed as our Chief Financial Officer (CFO) in September 2017. Mr. Euteneuer, who was CFO at Sprint Corporation prior to joining Mattel, has more than four decades of financial leadership experience. He brings a strong record of helping companies implement new strategies to improve long-term growth and profitability, and is a valuable addition to our management team as we execute our transformation.

Amanda J. Thompson was appointed as our Executive Vice President (EVP) and Chief People Officer (CPO) effective September 2017. Ms. Thompson was previously CPO at TOMS Shoes, where she successfully developed and implemented programs that increased employee engagement and improved organizational design and accountability. At Mattel, Ms. Thompson is focusing on establishing a high-performance culture to support our transformation and building a progressive and world-class human resources organization.

Sven Gerjets was appointed as our EVP and Chief Technology Officer (CTO) effective July 2017. Mr. Gerjets, who had served as Chief Product Officer at software startup n.io Innovation, as well as Chief

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Information Officer at Time Warner Cable, brings substantial experience leading technology organizations and improving business results. As CTO, he is focused on creating and executing a plan to transform Mattel into a more nimble, data-driven company.

Nancy Elder was appointed as our EVP and Chief Communication Officer (CCO) effective September 2017. Ms. Elder was previously CCO at JetBlue Airways Corporation where she was responsible for developing and executing a comprehensive strategic vision and reputation strategy for the brand as well as managing media relations, internal communications, social media, and crisis communications. At Mattel, Ms. Elder is working closely with our leadership team to define, establish, and promote the Mattel brand as the leading global learning, development, and play company.

Each of the above hires brings a proven track record in driving organizational change and has quickly begun working to achieve our transformation strategy.

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. As part of its evaluation, the Board assesses which structure it believes is in the best interests of Mattel and its stockholders based on the evolving needs of the Company. This governance structure provides the Board appropriate flexibility to determine the leadership structure best suited to support the dynamic demands of our business.

In February 2018, the Company announced that the Board had appointed Mr. Kreiz to succeed Mr. Sinclair as Chairman of the Board effective upon Mr. Kreiz's election to the Board at the 2018 Annual Meeting. In April 2018, the Board further determined that the Company and its stockholders would be best positioned by Mr. Kreiz serving as Executive Chairman of the Board. In evaluating Mattel's go-forward Board leadership structure, the Board carefully assessed potential courses of action, and determined that this structure best enables Mattel to accelerate progress on our transformation as we navigate a critical period for the Company. Independent leadership still remains an important pillar of our Board leadership structure and, as such, the Company will continue to have an Independent Lead Director with robust, well-defined responsibilities as set forth on page 14 under Corporate Governance at Mattel Corporate Governance Standards and Practices Independent Lead Director Responsibilities.

Mr. Kreiz, who joined the Company's Board in June 2017 and previously served as the Chairman of the Board and CEO of Maker Studios, Inc., Endemol Group, and Fox Kids Europe N.V., brings substantial, relevant leadership experience to the Executive Chairman role. Since joining the Board, Mr. Kreiz has been an invaluable resource for our management team and Board in evaluating progress against our transformation efforts and cost savings initiative, and by contributing deep expertise in multimedia, entertainment, and content creation core areas of our strategy going forward. As Executive Chairman, he will serve as a key thought partner for our management team, lead the Board in its oversight of performance, and facilitate the close communication between management and the Board that is required at this critical period for the Company. Further, the Board believes that the Executive Chairman role will enable Mr. Kreiz to maximize his impact on our transformation.

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.

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Executive Compensation Highlights

Our executive compensation programs are designed to be performance-based and link our executives' pay to the execution of Mattel's strategic objectives and to the interests of our stockholders.

2017 Pay-For-Performance Results

Pay outcomes for our named executive officers (NEOs) in 2017 closely aligned with challenging financial results this past year:

Compensation Element	2017 Results for NEOs
Annual Cash Incentive	<u>No payout</u> earned under our annual cash incentive plan, the Mattel Incentive Plan (MIP), for 2017
Equity Long-Term Incentives (LTIs)	<u>Not on track for any earnout of Performance Units</u> under the 2016-2018 Long-Term Incentive Program (LTIP), which bases payout on achievement against a three-year cumulative earnings per share (EPS) financial measure, plus a relative TSR modifier <u>No earnout for 2017 performance</u> under the 2017-2019 LTIP, which bases payout on achievement against EPS goals that are set on an annual basis with earnouts averaged over the three-year period, plus a relative TSR modifier

All outstanding stock options are currently underwater

Base Salary

No salary increases in 2017, other than in connection with retention based on criticality of role during leadership transition

The strong link between pay and performance is further illustrated by the chart below. Ms. Georgiadis' realizable total direct compensation (TDC) at the end of 2017 was only 48% of her 2017 targeted TDC.

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2017 Targeted TDC

2017 Annual Cash	\$ 3,359,536
- Base Salary ⁽¹⁾	\$ 1,343,836
- MIP	\$ 2,015,700 ⁽²⁾
2017 LTI	\$ 33,250,000⁽³⁾
<i>Annual</i>	
- Performance Units	\$ 2,750,000
- Stock Options	\$ 2,750,000

- Time-Vesting RSUs	\$ 2,750,000
<i>New Hire</i>	
- Stock Options	\$ 5,500,000
- Time-Vesting RSUs	\$ 5,500,000
<i>Make-Whole RSUs</i>	\$ 14,000,000
Total 2017 TDC	\$ 36,609,536

2017 Realizable TDC

2017 Annual Cash	\$ 2,843,836
- Base Salary ⁽¹⁾	\$ 1,343,836

- MIP	\$ 1,500,000 ⁽⁴⁾
2017 LTI	\$ 14,608,630
<i>Annual</i>	
- Performance Units	\$ 263,844 ⁽⁵⁾
- Stock Options	\$ 0 ⁽⁶⁾
- Time-Vesting RSUs	\$ 2,144,772 ⁽⁷⁾
<i>New Hire</i>	
- Stock Options	\$ 0 ⁽⁶⁾
- Time-Vesting RSUs	\$ 2,984,827 ⁽⁷⁾
<i>Make-Whole RSUs</i>	\$ 9,215,187 ⁽⁸⁾
Total 2017 TDC	\$ 17,452,466

% of Targeted TDC**48%**

(1) Reflects annual base salary pro-rated from Ms. Georgiadis' hire date of February 8, 2017 through December 31, 2017.

(2) Reflects pro-rated target amount payable under the MIP as disclosed in the Grants of Plan-Based Awards in 2017 table on page 88 for the period Ms. Georgiadis served as CEO.

(3) Reflects amounts disclosed in the 2017 LTI Annual Grant Values table on page 67 and also Ms. Georgiadis make-whole grant (\$14 million) and new hire grants (totaling \$11 million).

(4) Reflects the one-time guaranteed cash bonus payment per offer letter.

(5) The value shown for the Performance Units for the 2017-2019 LTIP is 16.7% of target earnout, based on our adjusted EPS of \$(0.87) for 2017, which was below threshold performance and resulted in 0% earned for the 2017 financial performance goal. Further, we have assumed target EPS performance for each of 2018 and 2019, resulting in a three-year average of 66.7% earned for the financial performance goal. We have further assumed, based on our current stock price, which results in substantially below threshold performance, that the impact of our TSR modifier would result in a reduction of 50 percentage points from the 66.7% earned payout based on our EPS performance, resulting in 16.7% earned payout under the 2017-2019 LTIP.

(6) The stock options granted in 2017 were underwater as of the end of the fiscal year and none were vested. The value shown for the realizable 2017 stock options reflects no intrinsic value for such options as of December 29, 2017, the last trading day of fiscal year 2017, based on our closing stock price of \$15.38 and the option exercise price of \$25.95 for the February 8, 2017 grant and \$19.72 for the August 1, 2017 grant. If instead the Black-Scholes value of the stock options were taken into account as of December 29, 2017, then such options would be valued at approximately \$4.4 million, resulting in Total 2017 Realizable TDC of \$21.9 million, or 60% of Targeted TDC (for valuation purposes the expected life was based on the original ratio of expected life to original option term, volatility assumption (see Note 7 to Mattel's Consolidated Financial Statements for 2017 contained in the Annual Report on Form 10-K filed with the SEC on February 27, 2018), no dividends assumed, and December 29, 2017 five-year Government Treasury rate used).

(7) The value shown for the realizable time-vesting restricted stock units (RSUs) for 2017 reflects our closing stock price of \$15.38 as of December 29, 2017.

(8) For amounts vested in 2017, value shown is disclosed in the Option Exercises and Stock Vested in 2017 table and for unvested RSUs, value shown reflects our closing stock price of \$15.38 as of December 29, 2017.

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PROXY SUMMARY

Compensation Governance Best Practices

Our Compensation Committee maintains the following compensation governance best practices, which establish strong safeguards for our stockholders and further enhance the alignment of interests between our executives and stockholders:

Compensation Governance Practices

Compensation Recovery Policy (Clawback Policy) applicable to all Section 16 officers and other direct reports to the CEO

Double-trigger accelerated vesting in the event of a change of control

Annual compensation risk assessment

Robust stock ownership guidelines as a multiple of base salary: 6x for CEO and Executive Chairman, 4x for COO and CFO, 3x for other NEOs

No excise tax gross-ups

No hedging or pledging permitted

Annual comparator peer group review

Independent compensation consultant

No poor pay practice of tax gross-ups 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

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CORPORATE GOVERNANCE STANDARDS AND PRACTICES

CORPORATE GOVERNANCE AT MATTEL

CORPORATE GOVERNANCE STANDARDS AND PRACTICES

Corporate Governance Highlights

Mattel utilizes strong and effective corporate governance practices to drive accountability and provides our stockholders with meaningful rights. Maintaining industry-leading governance practices is, and has been, a long-standing priority at Mattel, and we regularly assess and refine our corporate governance policies and procedures to take into account evolving best practices. We conduct a proactive engagement process that encourages feedback from our stockholders. This feedback informs boardroom discussions and helps shape our governance practices.

The following corporate governance and Board practices ensure accountability and enhance effectiveness in the boardroom:

Corporate Governance Practices	Board Practices
Annual Board elections	Routine review of Board leadership structure
Majority voting standard	Annual Board and Committee evaluations
Robust Independent Lead Director role with significant responsibilities	Robust director succession and search process

Stockholder right to call special meetings	Annual review and evaluation of the CEO's performance by independent directors
Stockholder right to proxy access	Quarterly executive sessions held without management present
Stockholder ability to remove directors with or without cause	Comprehensive risk management with Board and Committee oversight
Stockholder ability to act by written consent	9 of 10 director nominees are independent*

* Effective upon Mr. Kreiz's election to the Board at the 2018 Annual Meeting, he will be Executive Chairman and, therefore, no longer an independent director.

Stockholder Engagement

Stockholder feedback is an important consideration for our Board, helping shape our practices.

We have established a robust stockholder engagement program, which includes proactive and responsive dialogue with a broad range of our stockholders. This engagement helps inform the Board's understanding of stockholder perspectives on a wide range of matters. Stockholder dialogue is a year-round practice for Mattel. During 2017, a year of tremendous leadership and business transformation, our dialogue with stockholders was primarily focused on the progress of our strategic transformation, our leadership changes, the performance of the Company, and how our Board and management team are driving value for our stockholders. The input and perspectives provided by our stockholders are highly valued, particularly at such a critical period for our Company, and we have processes in place to ensure that feedback received from our stockholders is relayed directly to the Board to help shape our governance practices. As we continue to execute on our transformation, we look forward to ongoing stockholder engagement.

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CORPORATE GOVERNANCE STANDARDS AND PRACTICES

Stockholder Proxy Access Right

After engaging with a number of our stockholders and carefully considering their feedback regarding proxy access, on January 24, 2017, the Board adopted amendments to Mattel's Amended and Restated Bylaws (the "Bylaws") to implement proxy access. Our proxy access provision permits a stockholder, or group of up to 20 stockholders, owning at least three percent of the Company's outstanding common stock continuously for at least three years, to nominate and include in the Company's proxy materials for an annual meeting of stockholders, director nominees constituting up to the greater of two nominees or 20% of the Board, provided that the stockholder(s) and the director nominee(s) satisfy the requirements specified in the Bylaws.

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, our Board of Directors Amended and Restated Guidelines on Corporate Governance ("Guidelines on Corporate Governance") 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. The Board evaluates its structure periodically, as well as when warranted by specific circumstances, such as the appointment of a new CEO. As part of its evaluation, the Board assesses which structure it believes is in the best interests of Mattel and its stockholders based on the evolving needs of the Company. This governance structure provides the Board appropriate flexibility to determine the leadership structure best suited to support the dynamic demands of our business.

As previously announced, Mr. Sinclair, our former CEO and current Executive Chairman, is not standing for re-election to the Board at the 2018 Annual Meeting. As a result, the Board conducted a thoughtful evaluation of its leadership structure and determined that having the Chairman and Chief Executive Officer in separate roles continues to be the most appropriate leadership structure for the Company at this time. Thus, in February 2018, the Company announced that the Board had appointed Mr. Kreiz to succeed Mr. Sinclair as Chairman of the Board effective upon Mr. Kreiz's election to the Board at the 2018 Annual Meeting. In April 2018, the Board further determined that the Company and its stockholders would be best positioned by Mr. Kreiz serving as Executive Chairman of the Board. In evaluating Mattel's go-forward Board leadership structure, the Board carefully assessed potential courses of action, and determined that this structure best enables Mattel to accelerate progress on our transformation efforts as we navigate a critical period for the Company. Independent leadership still remains an important pillar of our Board leadership structure and, as such, the Company will continue to have an Independent Lead Director with robust, well-defined responsibilities as set forth below under "Independent Lead Director Responsibilities."

Mr. Kreiz, who joined the Company's Board in June 2017 and previously served as the Chairman of the Board and CEO of Maker Studios, Inc., Endemol Group, and Fox Kids Europe N.V., brings substantial, relevant leadership experience to the Executive Chairman role. Since joining the Board, Mr. Kreiz has been an invaluable resource for our management team and Board in evaluating progress against our transformation efforts and cost savings initiative, and

by contributing deep expertise in multimedia, entertainment, and content creation – core areas of our strategy going forward. As Executive Chairman, he will serve as a key thought partner for our management team, lead the Board in its oversight of performance, and facilitate the close communication between management and the Board that is required at this critical period for the Company. Further, the Board believes that the Executive Chairman role will enable Mr. Kreiz to maximize his impact on our transformation.

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CORPORATE GOVERNANCE STANDARDS AND PRACTICES

The Board determined that this leadership structure allows our management team and Board to benefit from significant, regular counsel and insight from the Executive Chairman position. The Board also recognizes that the anticipated investment of time associated with these responsibilities will be substantial and aligns with the expectations of an Executive Chairman role. 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 annually an Independent Lead Director when the Chairman is not independent. The Board believes that the Independent Lead Director provides the Company and the Board with the same independent leadership, oversight and benefits that would be provided by an independent Chairman.

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

Presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;

Serves as liaison between the Chairman and the independent directors;

Approves information sent to the Board;

Approves meeting agendas for the Board;

Approves schedules of meetings to assure that there is sufficient time for discussion of all agenda items;

Has authority to call meetings of the independent directors; and

If requested by major stockholders, ensures that he or she is available for consultation and direct communication.

In 2017, the independent directors of the Board elected Michael J. Dolan to serve as the Board's current Independent Lead Director, a position he has held since January 2015. Mr. Dolan has significant experience on the Board, serving as an independent director since 2004, 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 prior service on several boards of directors make him well qualified to currently serve as Independent Lead Director of Mattel.

Board Independence Determination

Mattel's Board has adopted Guidelines on Corporate Governance 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 Ms. Georgiadis, our CEO, Mr. Sinclair, our Executive Chairman and former CEO, and effective upon his election to the Board at the 2018 Annual Meeting, Mr. Kreiz, who will serve as our Executive Chairman) and each new director nominee to the Board 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. In addition, the Board previously determined that Dirk Van de Put (who ceased to be a member of the Board in November 2017) was independent within the meaning of both Mattel's and Nasdaq's director

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CORPORATE GOVERNANCE STANDARDS AND PRACTICES

independence standards, as then in effect. 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 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 (the 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 Board 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.

This annual evaluation process has resulted in multiple 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 skills 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 or responsibilities.

Director Board Composition and Director Search Process

The Board has a robust director succession and search process. The Board retains an independent, third-party 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 director nominees

have been on the Board for over ten years, the Board has also added two new independent directors in the past six years, and has selected three new independent director nominees to stand for election to the Board at the 2018 Annual Meeting. The Board believes that the current mix of director tenures provides Mattel with an optimal balance of knowledge, experience, and capability. This mix allows the Board to leverage the deep Company knowledge of, and experience with, Mattel from longer-tenured directors as well as the new viewpoints, experiences, and ideas from newer directors in its oversight of management and our continued transformation efforts. The Board continues to be very thoughtful and proactive about this process and will continue to evaluate its composition with respect to skills, qualifications, tenure, and diversity to ensure the right balance is achieved for effective, independent Board oversight.

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BOARD GENERAL INFORMATION

BOARD GENERAL INFORMATION

Director Nominees Reflect Strong Board Refreshment

New Directors in 2017

The Board remains focused on aligning our directors' collective skills and expertise with Mattel's evolving business strategy. Accordingly, the Board added two new directors in 2017:

Ms. Georgiadis, our CEO, joined us from Google Inc. in February 2017.

Ynon Kreiz, the former Chairman of the Board and CEO of Maker Studios, Inc., a global digital media and content network company that was acquired by The Walt Disney Company, and a current director of Warner Music Group Corp., joined us in June 2017. The Board subsequently appointed Mr. Kreiz as Executive Chairman of the Board, to be effective upon his election to the Board at the 2018 Annual Meeting. Please refer to page 13 for additional detail on the Board's process in determining Mattel's go-forward Board leadership structure.

New Independent Director Nominees

Additionally, in March 2018, the Board selected three new independent director nominees to stand for election to the Board at the 2018 Annual Meeting:

R. Todd Bradley brings deep technology expertise to the Board, having most recently served as CEO of Mozido, Inc., a digital payment and mobile commerce provider. Prior to that, Mr. Bradley served as President of TIBCO Software, Inc., and held senior leadership positions with the Hewlett-Packard Company, including Executive Vice President of Strategic Growth Initiatives.

Soren T. Laursen provides strong toy industry executive experience, having most recently served as CEO of TOP-TOY, a retailer of toys and children's products in the Nordic region. Mr. Laursen has also held a variety of senior leadership roles with The LEGO Group, including President of LEGO Systems, Inc.

Rosa G. Rios brings significant expertise in finance, real estate, manufacturing, and community development to Mattel's Board. As the former Treasurer of the United States, Ms. Rios provides experience implementing efficiencies and innovative concepts while meeting increased production demand and increasing employee morale.

Each additional director and director nominee further strengthens Board expertise in areas that are integral to Mattel's transformation efforts, including digital content and entertainment, financial management, retail and commercial leadership, technology integration, and toy industry knowledge.

On November 17, 2017, Dirk Van de Put resigned from our Board in order to focus on his new role and increased responsibilities as CEO of Modelez International, Inc. Mr. Sinclair, who currently serves as our Executive Chairman, intends to retire from the Board at the end of his current term and will not be standing for re-election to the Board at the 2018 Annual Meeting. Dr. Fergusson will have reached Mattel's mandatory retirement age at the time of the 2018 Annual Meeting and, accordingly, will not stand for re-election to the Board. Mr. Scarborough and Ms. White Loyd also have notified us that they will not be standing for re-election to the Board in order to focus on their other professional and personal commitments. Effective as of the 2018 Annual Meeting, the authorized number of directors has been set at ten.

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BOARD GENERAL INFORMATION

Board Meetings

During 2017, the Board held nine 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 such director 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 eleven directors at the time of the 2017 Annual Meeting of Stockholders and eleven 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 committee’s current charter is available on Mattel’s corporate website at <http://corporate.mattel.com/about-us/bios.aspx>.

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

	Governance and Social		Compensation		Executive		Finance		Equity Grant Allocation	
Director	Audit Committee	Responsibility Committee	Committee	Committee	Committee	Committee	Committee	Committee	Committee	Committee

Non-Employee Directors

Michael J. Dolan		M	C	C
Trevor A. Edwards		M	M	
Dr. Frances D. Fergusson ⁽¹⁾		C		M M
Ynon Kreiz*				M
Ann Lewnes		M		
Dominic Ng	M			M
Vasant M. Prabhu	C			M M
Dean A. Scarborough ⁽¹⁾			M M	C
Kathy White Loyd ⁽¹⁾	M		M	

Employee Directors

Margaret H. Georgiadis

M

Christopher A. Sinclair⁽¹⁾

C Chair

M Member

Independent Lead Director

* Effective upon his election to the Board at the 2018 Annual Meeting, Mr. Kreiz will no longer serve on the Finance Committee

⁽¹⁾ Not standing for re-election at the 2018 Annual Meeting

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BOARD GENERAL INFORMATION

The primary responsibilities, membership and meeting information for the committees of our Board during 2017 are summarized below.

Audit Committee	Primary Responsibilities
<p>Members in 2017:</p> <p>Vasant M. Prabhu (Chair)</p> <p>Dominic Ng</p> <p>Dirk Van de Put (member until November 2017)</p> <p>Kathy White Loyd</p>	<p>Assist 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</p> <p>Sole authority to appoint or replace the independent registered public accounting firm; 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</p>
<p>Meetings in 2017: 12</p> <p>The Board has determined that each member meets applicable SEC, Nasdaq and Mattel independence and financial sophistication standards. Messrs. Prabhu, Ng, and Van de Put (before his departure) each qualify as a financial expert under applicable SEC regulation.</p>	<p>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</p> <p>Review and discuss Mattel’s quarterly and annual financial statements with management, the independent registered public accounting firm, and the internal audit group</p> <p>Discuss with management and the independent registered public accounting firm Mattel’s practices with respect to risk assessment, risk management, and critical accounting policies</p>

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

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

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

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BOARD GENERAL INFORMATION

Governance and Social

Responsibility Committee

Primary Responsibilities

Members in 2017:

Dr. Frances D. Fergusson (Chair)

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

Michael J. Dolan

Trevor A. Edwards

Assist the Board in evaluating potential executive candidates in succession planning

Ann Lewnes

Dirk Van de Put (member until November 2017)

Develop and recommend to the Board the Guidelines on Corporate Governance applicable to Mattel

Meetings in 2017: 4

Lead the evaluation of the Board's performance

The Board has determined that each member meets applicable Nasdaq and Mattel independence standards.

Evaluate and make recommendations to the Board regarding the independence of the Board members

Recommend director nominees for each committee of the Board

Assist the Board with oversight and review of social responsibility matters such as sustainability, corporate citizenship, community involvement, diversity and equal opportunity matters, responsible supply chain standards, public

policy matters, and environmental, health, and safety issues

Oversee and review with management risks relating to governance and social responsibility matters

Oversee the Company's engagement with institutional stockholders and proxy advisory firms concerning governance and social responsibility matters

Provide oversight with regard to philanthropic activities

Work closely with the CEO and other members of Mattel's management to ensure that Mattel is governed effectively and efficiently

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Compensation Committee	Primary Responsibilities
Members in 2017:	Develop, evaluate, and, in certain instances, approve or determine the compensation plans, policies, and programs of Mattel
Michael J. Dolan (Chair)	
Trevor A. Edwards	
Dean A. Scarborough	Approve all forms of compensation to be provided to the CEO and all other executives who are subject to Section 16 of the Exchange Act
Kathy White Loyd	
Meetings in 2017: 10	Annually review and approve corporate goals and objectives relevant to the CEO, and review and evaluate the CEO's performance
Meets at least once each year without the CEO present.	Administer Mattel's short- and long-term incentive programs and equity compensation plans
The Board has determined that each member meets applicable Nasdaq and Mattel independence standards and qualifies as an outside director within the meaning of Section 162(m) of the Internal Revenue Code and as a non-employee director within the meaning of Rule 16b-3 of the Exchange Act.	Review the form and amount of non-employee directors' compensation
	Assess material risks associated with Mattel's compensation structure, policies, and programs generally
	Report and, as appropriate, make recommendations to the Board regarding executive compensation programs and practices
	Inform the non-management directors of the Board of its decisions regarding compensation for the CEO and other senior executives

Oversee the Company's engagement with institutional stockholders and proxy advisory firms concerning executive compensation matters

Compensation Committee Use of Independent Compensation Consultant

The Compensation Committee has the authority to retain independent legal or other advisors, to the extent it deems necessary or appropriate, and has retained Frederic W. Cook & Co., Inc. (FW Cook) 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. FW Cook 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 consultant 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 FW Cook is independent within the meaning of the committee's charter and the Nasdaq listing standards, and the work of FW Cook for the committee does not raise any conflicts of interest. FW Cook attends Compensation Committee meetings when invited and meets with the Compensation Committee without management. FW Cook provides the Compensation Committee with third-party data and analysis as well as advice and expertise on competitive compensation practices and trends, executive compensation plans and program designs, and proposed executive and director compensation. FW Cook reports directly to the Compensation Committee and, as directed by the Compensation Committee, works with management and the Chair of the Compensation Committee. In 2017, FW Cook assisted the Compensation Committee on the following matters:

Analyzing and advising on:

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

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BOARD GENERAL INFORMATION

Our MIP and LTI designs, provisions, and practices, including our new Mattel Incentive Plan; and

The compensation of our Board as compared to the board compensation at our comparator peer companies;

Reviewing and advising regarding our comparator peer companies;

Assessing if our compensation plans, policies, and programs present potential material risk to the Company;

Reviewing and advising on our 2017 Proxy Statement;

Advising on our CEO's compensation, our Executive Chairman's compensation, and our President and COO's retention compensation;

Providing executive compensation regulatory and legislative updates; and

Advising regarding institutional proxy advisers' voting policies and market trends.

Other Board Committees

The Board has determined that each member of the **Executive Committee** meets applicable Nasdaq and Mattel independence standards. During 2017, the Executive Committee held no meetings. The Executive Committee may exercise all the powers of the Board, subject to limitations of applicable law, between meetings of the Board.

The Board has determined that each member of the **Finance Committee** meets applicable Nasdaq and Mattel independence standards. Effective upon Mr. Kreiz's election to the Board at the 2018 Annual Meeting, he will no longer serve on the Finance Committee. During 2017, the Finance Committee held six meetings. The committee's primary functions are to advise and make recommendations to the Board with regard to Mattel's allocation and deployment of available capital, including dividends to stockholders, credit facilities and debt securities, capital expenditures, stock repurchase programs, hedging transactions, mergers, acquisitions, dispositions, and other strategic transactions. The Finance Committee also oversees Mattel's interactions with credit rating agencies and third-party financial risks.

Mattel also has an **Equity Grant Allocation Committee** with Ms. Georgiadis as the current sole member. The Equity Grant Allocation Committee's primary function is to exercise the limited authority delegated to the committee by the

Board and the Compensation Committee with regard to making annual and off-cycle equity compensation grants to employees below the executive leadership job level.

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 Board committee to oversee management of specific risks related to that 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

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BOARD GENERAL INFORMATION

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 presented to the Audit Committee and the full Board along with Mattel's strategy for managing such 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 associated with 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 plans, policies, and programs generally, including those that may relate to pay mix, selection of 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, mergers, acquisitions, dispositions, and other strategic transactions. The Finance Committee also oversees third-party financial risks, which include risks arising from customers, vendors, suppliers, subcontractors, creditors, debtors, and counterparties in hedging transactions, mergers, acquisitions, dispositions, and other strategic transactions.

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 responsible supply chain standards, diversity and equal opportunity, philanthropy and charitable contributions, and public policy and governmental relations.

Code of Conduct

Our Board has adopted a Code of Conduct, which is a general statement of Mattel's standards of ethical business conduct. The Code of Conduct applies to all of our employees, including our CEO and our CFO. Certain provisions of the Code of Conduct also apply to members of the Board in their capacity as Mattel's directors. The Code of Conduct covers topics including, but not limited to, conflicts of interest, confidentiality of information, and compliance with laws and regulations. We intend to disclose any future amendments to certain provisions of our Code of Conduct in

accordance with the SEC rules, and any waivers of provisions of the Code of Conduct required to be disclosed under the SEC rules or the Nasdaq listing standards, on Mattel's corporate website at <http://corporate.mattel.com/about-us/ethics.aspx>.

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BOARD GENERAL INFORMATION

Communications with the Board

The independent directors of Mattel have unanimously approved a process by which stockholders of Mattel and other interested persons may send communications to any of the following: (i) the Board, (ii) any committee of the Board, (iii) the Independent Lead Director, or (iv) the independent directors. Such communications should be submitted in writing by mailing them to the relevant addressee at the following address:

[Addressee]

c/o Secretary, TWR 15-1

Mattel, Inc.

333 Continental Boulevard

El Segundo, CA 90245-5012

Any such communications will be relayed to the Board members who appear as addressees, except that the following categories of communications will not be so relayed, but will be available to Board members upon request:

Communications concerning Company products and services;

Solicitations;

Matters that are entirely personal grievances; and

Communications about litigation matters.

Corporate Governance Documentation and How to Obtain Copies

Current copies of the following materials related to Mattel's corporate governance standards and practices are available publicly on Mattel's corporate website at <http://corporate.mattel.com/about-us/corporate-governance.aspx>:

Information on Board and Board committee membership and biographies of Board members;

Board of Directors Amended and Restated Guidelines on Corporate Governance;

Audit Committee Charter;

Compensation Committee Charter;

Governance and Social Responsibility Committee Charter;

Code of Conduct;

Restated Certificate of Incorporation;

Amended and Restated Bylaws;

Director Nominations Policy;

Audit Committee Complaint Procedure;

Policy on Adoption of a Shareholder Rights Plan; and

Golden Parachute Policy.

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The following table shows the compensation of the non-employee members of our Board for 2017. See the Narrative Disclosure to Director Compensation Table below for additional details regarding our director compensation program.

Name ⁽¹⁾	Fees Earned or			Total
	Paid in Cash ⁽²⁾	Stock Awards ⁽³⁾	All Other Compensation ⁽⁴⁾	
Michael J. Dolan	\$165,000	\$140,010	\$25,000	\$330,010
Trevor A. Edwards	\$100,000	\$140,010	\$29,000	\$269,010
Dr. Frances D. Fergusson	\$115,000	\$140,010	\$17,500	\$272,510
Ynon Kreiz ⁽⁵⁾	\$ 91,667	\$128,335	\$ 0	\$220,002
Ann Lewnes	\$100,000	\$140,010	\$30,000	\$270,010
Dominic Ng	\$110,000	\$140,010	\$30,000	\$280,010
Vasant M. Prabhu	\$130,000	\$140,010	\$30,000	\$300,010
Dean A. Scarborough	\$115,000	\$140,010	\$30,000	\$285,010

Dirk Van de Put ⁽⁶⁾	\$110,000	\$140,010	\$ 0	\$250,010
Kathy White Loyd	\$110,000	\$140,010	\$25,000	\$275,010

⁽¹⁾ During 2017, Ms. Georgiadis, as CEO and a member of the Board, and Mr. Sinclair, as Executive Chairman and member of the Board, did not receive any additional compensation for serving as a director other than the amounts attributed to her/him for her/his recommended grants and our matching charitable contributions under the Board of Directors Recommended Grants Program and the Gift Matching Program described below. These amounts and all of her/his compensation for her/his services to Mattel are shown in the Summary Compensation Table.

⁽²⁾ For Messrs. Edwards, Ng, and Scarborough, some or all amounts shown were deferred under the Mattel, Inc. Deferred Compensation Plan for Non-Employee Directors (Director DCP). In connection with his election to the Board in June 2017, Mr. Kreiz received a cash retainer of \$91,667, which represents a pro-rata portion of the annual retainer based on the number of months he will have served from his election in June 2017 to the date of the 2018 Annual Meeting.

⁽³⁾ On May 19, 2017, each of our non-employee directors received an annual equity grant of 6,321 RSUs under our Mattel, Inc. Amended and Restated 2010 Equity and Long-Term Compensation Plan. In connection with his election to the Board in June 2017, Mr. Kreiz also received a grant of 5,666 RSUs, which represents a pro-rata portion of the annual equity grant based on the number of months he will have served from his appointment to the date of the 2018 Annual Meeting. Amounts shown represent the grant date fair value of such shares, computed in accordance with FASB ASC Topic 718, based on our closing stock price of \$22.15 on May 19, 2017 and \$22.65 on June 13, 2017.

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The table below shows the aggregate number of stock awards and option awards outstanding for each non-employee director as of December 31, 2017. Stock awards consist of vested but not settled RSUs and any deferrals of vested RSUs under the Director DCP. All outstanding Option Awards noted below are fully exercisable.

Name	Aggregate Stock Awards	Aggregate Option Awards
	Outstanding as of December 31, 2017	Outstanding as of December 31, 2017
Michael J. Dolan	15,917	4,500
Trevor A. Edwards	15,917	
Dr. Frances D. Fergusson	15,917	
Ynon Kreiz	5,666	
Ann Lewnes	17,528	
Dominic Ng	40,742	
Vasant M. Prabhu	15,917	
Dean A. Scarborough	33,275	
Dirk Van de Put	4,619	

Kathy White Loyd	33,700
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(4) The All Other Compensation column shows the amount of gifts made by the Mattel Children's Foundation pursuant to the Board of Directors Recommended Grants Program and the Gift Matching Program, as described below, for the applicable director.

(5) Mr. Kreiz was elected as a member of the Board on June 13, 2017.

(6) Mr. Van de Put resigned from our Board effective November 17, 2017.

Narrative Disclosure to Director Compensation Table

Retainers

For 2017, non-employee directors received an annual retainer of \$100,000, and each non-employee committee chair received an additional annual retainer, the amount of which differed depending upon the committee, as follows: Audit and Compensation Committee Chairs, each \$20,000; and Executive, Finance, and Governance and Social Responsibility Committees Chairs, each \$15,000. The Independent Lead Director received an additional annual retainer of \$30,000. Further, each member of the Audit Committee received an additional annual retainer of \$10,000. Directors had the option to receive all or a portion of their annual retainer in the form of shares of Mattel common stock or to defer receipt under the Director DCP, as described below.

Equity Compensation

The Mattel, Inc. Amended and Restated 2010 Equity and Long-Term Compensation Plan provides for a limit of \$500,000 of equity grants to any one non-employee director in a calendar year. During 2017, non-employee directors received annual grants of deferred RSUs, with an intended fixed grant value of \$140,000. Each RSU represents a contingent right to receive one share of Mattel common stock. These RSUs vest immediately, but the non-employee director generally will not receive actual shares of Mattel common stock in settlement of the vested RSUs until the earlier of the third anniversary of the grant date or the date he or she ceases to be a director. The Compensation Committee reserves the right to settle the RSUs in cash equal to the fair market value of the stock, but does not anticipate doing so. The RSUs have

Table of Contents**DIRECTOR COMPENSATION**

dividend equivalent rights, meaning that for the period before the RSUs are settled in shares, we will pay the director cash equal to the cash dividends that he or she would have received if the RSUs had been an equivalent number of actual shares of Mattel common stock. The directors may also elect to defer the receipt of the RSU shares under the Director DCP and, if they do so, dividend equivalents relating to such shares are also deferred under the Director DCP in the form of shares.

Board of Directors Recommended Grants Program and the Gift Matching Program

Subject to certain limitations, each director may recommend that the Mattel Children's Foundation (Foundation) make gifts of up to a total of \$15,000 per year to one or more non-profit public charities that help fulfill the Foundation's mission of serving children in need (Director Recommendation Program). The Foundation also will match up to \$15,000 for any additional gifts that the director makes on his or her own, subject to certain limitations (Director Match Program). The programs may not be used to satisfy any pre-existing commitments of the director or any member of the director's family. Under SEC rules, these amounts are reflected in the All Other Compensation column in the table above. In 2018, the programs were changed to provide up to \$7,500 for the Director Recommendation Program and up to \$7,500 for the Director Match Program.

Director DCP

The Director DCP allows directors to defer amounts of their Board retainers and the common stock underlying their annual RSU grants. Retainer amounts deferred in the Director DCP are maintained in account balances that are deemed invested in one or more of a number of externally managed institutional funds that are similarly available under the executive's Mattel, Inc. Deferred Compensation and PIP Excess Plan (the DCP). Mattel common stock deferred in the Director DCP is deemed invested in Mattel stock equivalents.

Distribution of amounts deferred under the Director DCP may be paid in a lump sum or in ten annual installments, with payment made or commencing upon the later of a director ceasing service with the Board or the director achieving a specified age not to exceed 72. As of December 31, 2017, the following directors had the following aggregate number of Mattel stock equivalents in the Director DCP, including deferred vested RSUs: Mr. Edwards, 3,649; Dr. Fergusson, 6,490; Mr. Ng, 79,048; Mr. Scarborough, 71,719; Mr. Van de Put, 4,995; and Ms. White Loyd, 32,273.

Expense Reimbursement Policy

Mattel reimburses directors for their expenses incurred while traveling on Board business and permits directors to use Company-selected aircraft when traveling on Board business, as well as commercial aircraft, charter flights, and non-Mattel private aircraft. These expenses are not considered perquisites, as they are limited to business use. In the case of travel by a non-Mattel private aircraft, the amount reimbursed is generally limited to variable costs or direct operating costs relating to travel on Mattel Board business and generally does not include fixed costs such as a portion of the flight crew's salaries, monthly management fee, capital costs, or depreciation.

Independent Consultant Review of Non-Employee Director Compensation

In May 2017, FW Cook conducted an independent review of our non-employee director compensation program and concluded that the total annual compensation for our non-employee directors on average approximated the median of our peer group, and reflects a similar mix of cash and equity at the median.

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DIRECTOR COMPENSATION

FW Cook further found that our non-employee director compensation program has a stable structure and exhibits many best practices, including retainer-only cash compensation (i.e., no meeting fees), annual grants delivered as full value awards based on a fixed-value formula, immediate equity vesting that avoids entrenchment, and no major perquisites other than charitable gift matching.

Non-Employee Director Stock Ownership

The Board has adopted guidelines regarding non-employee director stock ownership. Within five years after joining the Board, non-employee members of the Board must attain stock ownership of five times the annual cash retainer. For this purpose, stock holdings are valued at the greater of actual cost or current market value. Amounts deferred into Mattel stock equivalents in the Director DCP receive credit and are valued at the current market value. Each of our Board members (other than Ms. Lewnes and Mr. Kreiz, the newest members of our Board) has met the target minimum stock ownership level. Ms. Lewnes has until February 1, 2020, and Mr. Kreiz has until June 13, 2022 to meet the target minimum level of stock ownership.

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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 Guidelines on Corporate Governance 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, which, under our current structure, is provided by our Executive Chairman.

Under the Guidelines on Corporate Governance, the Governance and Social Responsibility Committee is responsible for reviewing with the Board annually the appropriate 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 on Corporate Governance, 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 qualified director candidates 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 who the committee expresses interest in pursuing must meet in person with at least two members of the Governance and Social Responsibility Committee before being selected. The committee recommends to the Board the director nominees for election at 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. Under this policy, each director nominee should, at a minimum, possess the following:

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

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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 judgment of the Governance and Social Responsibility Committee, 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 director 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, Mattel's current business structure, operations, and financial condition, challenges facing Mattel, the Board's performance and input from stockholders and other key constituencies, and evaluates director nominees against the criteria for nominees set forth in the Director Nominations Policy. The committee reviews the Director Nominations Policy periodically and may amend the policy from time to time as necessary or advisable based on changes to applicable legal requirements and listing standards as well as the evolving needs and circumstances of the business. For additional information on the Board's selection and evaluation process, see our Director Nominations Policy, which is available on Mattel's corporate website at <http://corporate.mattel.com/about-us/relatedlinks.aspx>.

Stockholder Recommendations of Director Candidates

The Governance and Social Responsibility Committee will consider recommendations for director candidates made by stockholders and evaluate them using the same criteria as for other candidates. Under our Director Nominations Policy, any such recommendation must include a detailed statement explaining why the stockholder is making the recommendation, as well as all information that would be required were the stockholder to nominate such person under our Bylaws or applicable law. For additional information on stockholder recommendations, see our Bylaws and Director Nomination Policy, which are available on Mattel's corporate website at <http://corporate.mattel.com/about-us/relatedlinks.aspx>.

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PROPOSAL 1 ELECTION OF DIRECTORS

Stockholder recommendations for director candidates should comply with our Director Nominations Policy and should be addressed to:

Governance and Social Responsibility Committee

c/o Secretary, TWR 15-1

Mattel, Inc.

333 Continental Boulevard

El Segundo, CA 90245-5012

Director Nominees for Election

After receiving input from members of the Governance and Social Responsibility Committee, the Board has nominated ten director nominees for election at the 2018 Annual Meeting. All of the director nominees are currently directors except for Messrs. Bradley and Laursen and Ms. Rios. The director nominees will hold office from election 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:

R. Todd Bradley

Michael J. Dolan

Trevor A. Edwards

Margaret H. Georgiadis

Ynon Kreiz

Soren T. Laursen

Ann Lewnes

Dominic Ng

Vasant M. Prabhu

Rosa G. Rios

Each director 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 your properly submitted proxy does not contain voting instructions, the persons named as proxies will vote your shares for the election of each of the ten director nominees named above. If, before the 2018 Annual Meeting, any director nominee becomes unavailable to serve, the Board may identify a substitute for such director nominee and treat votes for the unavailable director nominee as votes for the substitute. We presently believe that each of the nominees will be available to serve.

On November 17, 2017, Dirk Van de Put resigned from our Board in order to focus on his new role and increased responsibilities as CEO of Modelez International, Inc. Mr. Sinclair, who currently serves as our Executive Chairman, intends to retire from the Board at the end of his current term and will not stand for re-election to the Board at the 2018 Annual Meeting. In addition, Dr. Fergusson will have reached Mattel's mandatory retirement age at the time of

the 2018 Annual Meeting and, accordingly, will not stand for re-election to the Board. Mr. Scarborough and Ms. White Loyd also have notified us that they will not be standing for re-election to the Board in order to focus on their other professional and personal commitments. The authorized number of directors is currently set at eleven, and the Board currently consists of eleven members. The Board has approved reducing the authorized number of directors to ten effective as of the 2018 Annual Meeting.

The Board, after receiving input from members of the Governance and Social Responsibility Committee, selected director nominees whose experiences, qualifications, attributes, and skills in, among other things, leadership of large corporations, consumer products, international business, marketing and advertising, digital media and entertainment, financial management and operations, information technology, commercial banking, investment banking, including mergers and acquisitions and business development,

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PROPOSAL 1 ELECTION OF DIRECTORS

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 director nominees with experience gained from past service with Mattel and/or other companies that have encountered comparable situations as Mattel.

For each director nominee, 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. 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.

R. TODD BRADLEY

Career Highlights

Mozido, LLC, a global provider of digital commerce and payment solutions

Chief Executive Officer and Director (December 2016 – May 2017)

TIBCO Software, Inc., an integration, analytics, and event-processing software company

President (June 2014 – December 2014)

Hewlett-Packard Company, a global provider of products, technologies, software, solutions, and services

Executive Vice President Strategic Growth Initiatives (June 2013 – June 2014); Executive Vice President of Printing and Personal Systems Group (March 2012 – June 2013); Executive Vice President of Personal Systems Group (June 2005 – March 2012)

PalmOne, Inc., a maker of mobile devices and WebOS

President and Chief Executive Officer (October 2003 – March 2005)

Age: 59
New Director Nominee

Other Current Public Directorships:
Eastman Kodak Company

Additional Leadership Experience and Service

Director, Eastman Kodak Company since 2017; also serves on Compensation and Nominating & Governance Committees

Director, TrueCar, Inc. (2013 – 2016)

Trustee, Newseum (2014 – 2016)

Key Experience/Director Qualifications

Mr. Bradley brings to Mattel's Board significant leadership, finance, digital, marketing, and technology experience. As a prior Chief Executive Officer of a technology-driven company, he will bring his expertise to Mattel's evolving business strategy. In addition, Mr. Bradley has proven experience with turnaround companies in driving growth and improving profitably. He also has held various management positions within logistics, production, and quality control.

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PROPOSAL 1 ELECTION OF DIRECTORS

MICHAEL J. DOLAN

Career Highlights

Bacardi Limited, a global privately-held spirits company

Chief Executive Officer (November 2014 – September 2017); Director (2009 – September 2017); served on Audit Committee until 2014); Interim Chief Executive Officer (May 2014 – November 2014)

Age: 71

Director Since: 2004

IMG Worldwide, a global sports, fashion, and media entertainment company

Chairman of the Board and Chief Executive Officer (November 2011 – May 2014); President and Chief Operating Officer (April 2011 – November 2011); Executive Vice President and Chief Financial Officer (April 2010 – April 2011)

Mattel Committee Memberships:

Compensation Committee
(Chair)

Executive Committee (Chair)

Governance and Social
Responsibility Committee

Viacom, Inc., a global entertainment content company

Executive Vice President and Chief Financial Officer (May 2004 – December 2006)

Kohlberg Kravis Roberts & Co., a global investment firm

Senior Advisor (October 2004 – May 2005)

Young & Rubicam, Inc., a global marketing and communications company

Chairman of the Board and Chief Executive Officer (2001 – 2003); Vice Chairman and Chief Operating Officer (2000 – 2001); Vice Chairman and Chief Financial Officer (1996 – 2000)

Additional Leadership Experience and Service

Director, March of Dimes since 2013

Director, Northside Center for Child Development since 2003

Chairman of the Board, America's Choice, Inc. (2004 - 2010)

Key Experience/Director Qualifications

As a former Chief Executive Officer of a large global company, Mr. Dolan brings to Mattel's Board significant leadership, finance, global consumer products and branding, strategic marketing, and operations experience. Mr. Dolan also brings 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 our most popular toys are derived from licensed entertainment properties. In addition, Mr. Dolan's long tenure with Young & Rubicam enables him to provide unique insights into brand building and advertising. Mr. Dolan has also gained valuable experience as the Chief Financial Officer of IMG, Viacom, and Young & Rubicam, where he dealt with complex accounting principles and judgments, internal controls, and financial reporting rules and regulations, and evaluated the financial results and financial reporting processes of large companies.

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PROPOSAL 1 ELECTION OF DIRECTORS

TREVOR A. EDWARDS

Career Highlights

NIKE, Inc., a global designer, marketer, and distributor of athletic footwear, apparel, equipment, and accessories

President, NIKE Brand (July 2013 – March 2018); Vice President, Global Brand & Category Management (August 2006 – June 2013); Vice President, Global Brand Management (2002 – 2006); Vice President, U.S. Brand Marketing (2000 – 2002); Vice President, EMEA Marketing (1999 – 2000); Director of Marketing for Europe (1997 – 1999); Director of Marketing for the Americas (1995 – 1997)

Age: 55

Director Since: 2012

Mattel Committee Memberships:

Compensation Committee

Governance and Social Responsibility Committee

Additional Leadership Experience and Service

Director, NIKE Foundation since 2005

Director, Management Leadership for Tomorrow since 2008

Key Experience/Director Qualifications

Mr. Edwards brings to Mattel’s Board two decades of significant marketing and global brand management experience from a large public company. His leadership and strategy skills in overseeing geographic, category, direct-to-consumer 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. During his career at NIKE, Mr. Edwards 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.

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PROPOSAL 1 ELECTION OF DIRECTORS

**MARGARET H.
GEORGIADIS**

Career Highlights

Mattel, Inc.

Chief Executive Officer and Director since February 2017

Google Inc., a global technology company

President, Americas (October 2011 – February 2017); Vice President, Global Sales Operations (September 2009 – April 2011)

Age: 54

Director Since: 2017

Groupon, Inc., a global online local marketplace

Chief Operating Officer (April 2011 – September 2011)

Mattel Committee Memberships:

Equity Grant Allocation Committee

Synetro Capital, LLC, a private investment firm

Principal (January 2009 – September 2009); Director since October 2009

Other Current Public Directorships:

McDonald's Corporation

Discover Financial Services, a direct banking and payment services company

Executive Vice President, Card Products and Chief Marketing Officer (2004 – 2008)

McKinsey & Company, a global management consulting firm

Partner (1990 – 2004)

Other Public Company Directorships

McDonald's Corporation since 2015; also serves on Audit/Finance and Sustainability and Corporate Responsibility Committees

Amyris, Inc. (2015 – 2017)

The Jones Group (2009 – 2014)

Additional Leadership Experience and Service

Director, Ad Council since 2012; also served as Chair (2016 – 2017)

Director, The Economic Club of Chicago since 2013

Director, World Business Chicago (2014 – 2017)

Key Experience/Director Qualifications

Ms. Georgiadis brings to Mattel's Board significant experience in technology, marketing, consumer insights, e-commerce, finance, leadership, global business, strategy, and business development. She has proven ability to foster innovation, experience in building partnerships on a global scale, expertise in leading complex organizations, and experience in engaging consumers and retail partners in a rapidly evolving industry. She has successfully led efforts to deliver above market growth and profitability by creating transformational partnerships across content, media, and technology providers and through innovation in product development and customer engagement. At Google, Ms. Georgiadis led their commercial operations and advertising sales in the U.S., Canada, and Latin America and was responsible for driving Google's sales operations and strategies across regions, channels, and products. She also has over 15 years of analytical and strategic experience at the global management consulting firm of McKinsey & Company.

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PROPOSAL 1 ELECTION OF DIRECTORS

YNON KREIZ

Career Highlights

Maker Studios, Inc., a global digital media and content network company that was acquired by The Walt Disney Company

Chairman of the Board (June 2012 – May 2014); Chief Executive Officer (May 2013 – January 2015)

Age: 53

Director Since: 2017

Endemol Group., one of the world's leading television production companies

Chairman of the Board and Chief Executive Officer (June 2008 – June 2011)

Mattel Committee Memberships:

Finance Committee (until 2018 Annual Meeting)

Balderton Capital (formerly Benchmark Capital Europe), a venture capital firm

General Partner (2005 – 2007)

Other Current Public Directorships:

Warner Music Group Corp.

Fox Kids Europe N.V., a children's entertainment company

Chairman of the Board, Chief Executive Officer and Co-founder (1996-2002)

Other Public Company Directorships

Warner Music Group Corp. since May 2015; also serves on Audit Committee

Additional Leadership Experience and Service

Chairman of the Board, Showmax since March 2017

Board of Advisors, Anderson Graduate School of Management at UCLA since April 2015

Chairman of the Board, Cortica Inc. (2012 – 2014)

Chairman of Board of Trustees, Israeli Olympic Committee, London Games (2012)

Key Experience/Director Qualifications

Mr. Kreiz brings to Mattel's Board of Directors significant leadership, finance, multimedia, and entertainment experience. As a former Chief Executive Officer of a number of global media companies and a board member of Warner Music Group Corp., he brings a valuable perspective on the entertainment, digital, and media industries, including a focus on children's programming. He was also General Partner at Balderton Capital where he was active in early stage technology and media investments.

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PROPOSAL 1 ELECTION OF DIRECTORS

SOREN T. LAURSEN

Career Highlights

TOP-TOY, a toy retailer in the Nordic market

Chief Executive Officer (April 2016 – January 2018)

LEGO Systems, Inc., the Americas division of the family-owned and privately-held The LEGO Group, a toy company based in Denmark

President (January 2004 – March 2016)

Age: 54

New Director Nominee

The LEGO Company

Senior Vice President, Europe North and Europe East (April 2000 – December 2003);

Senior Vice President, Special Markets (1999 – 2000)

VP/GM, LEGO New Zealand, (1995 – 1999)

Additional Leadership Experience and Service

Advisor, American Toy Industry Association since 2014; served as Chairman 2012-2014 and Board Member at large since 2004.

Director, A.T. Cross, R.I and Varier Furniture A/S Oslo since 2014

Director, LEGO Children's Fund (2010 – 2016)

Director, Connecticut Children's Medical Center (2008 – 2016; served on Executive and Strategy Task Force Committee)

Key Experience/Director Qualifications

Mr. Laursen brings to Mattel's Board of Directors significant leadership, finance, brand, marketing, retail, global, and toy industry experience. He has experience successfully turning around a company and driving growth. As a former Chief Executive Officer of a toy retail company and former President of a toy manufacturer, he has tested experience and understanding of Mattel's business.

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PROPOSAL 1 ELECTION OF DIRECTORS

ANN LEWNES

Career Highlights

Adobe Systems Incorporated, a multinational computer software company providing digital marketing and media solutions

Executive Vice President and Chief Marketing Officer since January 2016; Senior Vice President and Chief Marketing Officer (November 2006 – January 2016)

Age: 56

Director Since: 2015

Mattel Committee Memberships:

Governance and Social Responsibility Committee

Intel Corporation, a multinational semiconductor manufacturing company that designs, manufactures, and sells integrated digital technology platforms

Vice President, Sales & Marketing (2000 – 2006)

Awards Received

Changing The Game Award by the Advertising Women of New York (2010)

American Advertising Federation's Hall of Achievement (2000)

Additional Leadership Experience and Service

Director, Advertising Council since 2009; also serves on Executive Committee

Director, Adobe Foundation since 2009; also 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 significant leadership experience in branding, advertising, technology, and financial management marketing. She also brings 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.

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PROPOSAL 1 ELECTION OF DIRECTORS

DOMINIC NG

Career Highlights

East West Bancorp, Inc. and East West Bank, a global bank based in California

Chief Executive Officer and Chairman of the Board since 1992; President (1992 – 2009)

Federal Reserve Bank of San Francisco, Los Angeles Branch

Director (2005 – 2011)

Seyen Investment, Inc., a private family investment business

President (1990 – 1992)

Deloitte & Touche LLP, an accounting firm

CPA (1980 – 1990)

Other Public Company Directorships

East West Bancorp, Inc. since 1992; also Chairman since 1992

PacifiCare Health Systems, Inc. (2003 – 2005)

Additional Leadership Experience and Service

Director, STX Entertainment since 2016

Trustee, University of Southern California since 2014

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Member, Keck School of Medicine Board of Overseers since 2016

Director of the following non-profit entities and government organizations: Director, California Bankers Association (previously 2002 - 2011, 2016 - 2017); Chairman, Committee of 100 (2011 - 2014); The United Way of Greater Los Angeles (2006 - 2014); Pacific Council on International Policy (2010 - 2013); Federal Reserve Bank of San Francisco - Los Angeles Branch (2005 - 2011); and Los Angeles Mayor's Trade Advisory Council as Co-Chair (2009 - 2011)