

Primo Water Corp  
Form DEF 14A  
March 29, 2016

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

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (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 Rule  
14a-12

PRIMO WATER CORPORATION

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(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(2) Aggregate number of securities to which transaction applies: N/A

(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): N/A

(4) Proposed maximum aggregate value of transaction: N/A

(5) Total fee paid: N/A

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: N/A

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

(3) Filing Party: N/A

(4) Date Filed: N/A



Primo Water Corporation  
101 North Cherry Street, Suite 501  
Winston-Salem, North Carolina 27101

March 29, 2016

Dear Stockholder:

We are pleased to invite you to the 2016 annual meeting of stockholders of Primo Water Corporation to be held at 1:00 p.m., Eastern Time, on April 28, 2016 at our corporate headquarters at 101 North Cherry Street, Suite 501, Winston-Salem, North Carolina 27101.

The agenda for the 2016 annual meeting of stockholders includes:

- the election of two (2) Class III directors for three-year terms; and
- the ratification of the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for our 2016 fiscal year.

The Board of Directors unanimously recommends that you vote FOR election of the director nominees and FOR ratification of the appointment of BDO USA, LLP.

Whether or not you plan to attend the meeting, we encourage you to vote as soon as possible to ensure that your shares are represented at the meeting. The proxy statement explains more about proxy voting, so please read it carefully.

We look forward to your continued support.

Sincerely,

Billy D. Prim  
Chairman and Chief Executive Officer

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PRIMO WATER CORPORATION  
101 North Cherry Street, Suite 501  
Winston-Salem, North Carolina 27101

Notice of 2016 Annual Meeting of Stockholders

Time and Date: 1:00 p.m., Eastern Time, on Thursday, April 28, 2016

Place: Primo Water Corporation's corporate headquarters  
101 North Cherry Street, Suite 501  
Winston-Salem, North Carolina 27101

Items of Business: 1. Election of two directors nominated by our Board of Directors as Class III directors to serve until the 2019 annual meeting of stockholders;  
2. Ratification of the Audit Committee's appointment of BDO USA, LLP as our independent registered public accounting firm for 2016; and  
3. Other matters if properly raised.

Record Date: You may vote at the annual meeting if you were a stockholder of record at the close of business on March 4, 2016.

Voting: For voting instructions, please refer to your enclosed proxy card or the voting instruction card provided by your bank or broker. Additional information about voting is also included in the accompanying proxy statement. Please vote as soon as possible to record your vote, even if you plan to attend the annual meeting in person.

Meeting Admission: Attendance at the annual meeting is limited to stockholders as of the close of business on March 4, 2016, holders of valid proxies for the annual meeting and our invited guests.

By Order of the Board of Directors,

Mark Castaneda  
Chief Financial Officer

March 29, 2016

Important Notice Regarding the Availability of  
Proxy Materials for the 2016 Annual Meeting of Stockholders  
to be held on April 28, 2016

Our Proxy Statement and Annual Report on Form 10-K for the year ended December 31, 2015 are available at [www.proxyvote.com](http://www.proxyvote.com).

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PROXY STATEMENT

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The Board of Directors of Primo Water Corporation (“Primo” or the “Company”) is providing these materials to you in connection with Primo’s annual meeting of stockholders. The annual meeting will take place on Thursday, April 28, 2016, at 1:00 p.m. Eastern Time. The annual meeting will be held at our corporate headquarters at 101 North Cherry Street, Suite 501, Winston-Salem, North Carolina 27101. The annual meeting notice, proxy statement and form of proxy are expected to be first sent to stockholders on or about March 29, 2016.

General Information

Why am I receiving these materials?

You are receiving these proxy materials because our Board of Directors is soliciting your proxy to vote your shares at the annual meeting. The proxy statement includes information that we are required to provide you under Securities and Exchange Commission (“SEC”) rules and is designed to assist you in voting your shares.

What is a proxy?

Our Board of Directors is asking for your proxy. This means you authorize persons selected by us to vote your shares at the annual meeting in the way that you instruct. All shares represented by valid proxies received before the annual meeting will be voted in accordance with the stockholder’s specific voting instructions.

What is included in these materials?

These materials include:

- the Proxy Statement for the annual meeting;
- a proxy card for the annual meeting; and
- our Annual Report on Form 10-K for the year ended December 31, 2015.

What items will be voted on at the annual meeting?

There are three proposals scheduled to be voted on at the annual meeting:

·the election of the two directors nominated by our Board of Directors as Class III directors to serve until the 2019 annual meeting of stockholders; and

·the ratification of the Audit Committee’s appointment of BDO USA, LLP (“BDO”) as our independent registered public accounting firm for 2016.

The Board of Directors is not aware of any other matters to be brought before the meeting. If other matters are properly raised at the meeting, the proxy holders may vote any shares represented by proxy in their discretion.

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What are the board's voting recommendations?

Our Board of Directors recommends that you vote your shares:

“FOR” the two directors nominated by our Board of Directors as Class III directors to serve until the 2019 annual meeting of stockholders; and

“FOR” the ratification of the Audit Committee's appointment of BDO as our independent registered public accounting firm for 2016.

Who can attend the annual meeting?

Admission to the annual meeting is limited to:

- stockholders as of the close of business on March 4, 2016;
- holders of valid proxies for the annual meeting; and
- our invited guests.

Each stockholder may be asked to present valid picture identification such as a driver's license or passport and proof of stock ownership as of the record date.

When is the record date and who is entitled to vote?

The Board of Directors set March 4, 2016 as the record date. All record holders of Primo common stock as of the close of business on that date are entitled to vote. Each share of common stock is entitled to one vote. As of the record date, there were 25,815,586 shares of common stock outstanding.

What is a stockholder of record?

A stockholder of record or registered stockholder is a stockholder whose ownership of Primo stock is reflected directly on the books and records of our transfer agent, Wells Fargo Bank, N.A. If you hold stock through an account with a bank, broker or similar organization, you are considered the beneficial owner of shares held in “street name” and are not a stockholder of record. For shares held in street name, the stockholder of record is your bank, broker or similar organization. We only have access to ownership records for the registered shares. If you are not a stockholder of record, we will require additional documentation to evidence your stock ownership as of the record date, such as a copy of your brokerage account statement, a letter from your broker, bank or other nominee or a copy of your notice or voting instruction card. As described below, if you are not a stockholder of record, you will not be able to vote your shares unless you have a proxy from the stockholder of record authorizing you to vote your shares.

How do I vote?

You may vote by any of the following methods:

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In person. You may vote in person at the meeting. If you hold shares in street name, you must also obtain a proxy from the stockholder of record authorizing you to vote your shares.

By mail. You may vote by signing and returning the proxy card or voting instruction card provided.

Via the Internet. You may vote via the Internet by following the instructions provided in the accompanying proxy card or the voting instruction card provided.

Beneficial owners of shares held in “street name.” You may vote by following the instructions provided by your bank or broker.

How can I change or revoke my vote?

You may change or revoke your vote as follows:

Stockholders of record. You may change or revoke your vote by submitting a written notice of revocation to Primo Water Corporation, Attention: Corporate Secretary at 101 North Cherry Street, Suite 501, Winston-Salem, North Carolina 27101 or by submitting another vote on or before April 28, 2016. For all methods of voting, the last vote cast will supersede all previous votes.

Beneficial owners of shares held in “street name.” You may change or revoke your voting instructions by following the specific directions provided to you by your bank or broker.

What happens if I do not give specific voting instructions?

Stockholders of record. If you are a stockholder of record and you sign and return a proxy card without giving specific voting instructions, then the proxy holders will vote your shares in the manner recommended by the Board of Directors on all matters presented in this proxy statement and as the proxy holders may determine in their discretion for any other matters properly presented for a vote at the meeting.

Beneficial owners of shares held in “street name.” If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares will inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares. This is referred to as a “broker non-vote.”

Which ballot measures are considered “routine” or “non-routine”?

The election of directors (“Proposal 1”) is considered to be a non-routine matter under applicable rules. A broker or other nominee cannot vote without instructions on non-routine matters, and therefore there may be broker non-votes on Proposal 1.

The ratification of the appointment of BDO as our independent registered public accounting firm for 2016 (“Proposal 2”) is considered to be a routine matter under applicable rules. A broker or other nominee may generally vote on routine matters, and we do not expect there to be any broker non-votes with respect to Proposal 2.



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What is the quorum for the annual meeting?

The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote is necessary for the transaction of business at the annual meeting. This is called a quorum.

What is the voting requirement to approve each of the proposals?

The following are the voting requirements for each proposal:

Proposal 1, Election of Directors. The two nominees receiving the highest number of votes will be elected as the Class III directors to serve until the 2019 annual meeting of stockholders.

Proposal 2, Ratification of Independent Registered Public Accounting Firm. The ratification of the Audit Committee's appointment of BDO as our independent registered public accounting firm for 2016 will be approved if a majority of the votes of stockholders present in person or by proxy with respect to this matter are cast in favor of the proposal.

How are abstentions and broker non-votes treated?

Broker non-votes and abstentions are counted for purposes of determining whether a quorum is present. Broker non-votes and abstentions are not counted as votes cast on any proposal considered at the annual meeting and, therefore, will have no effect on the proposal regarding the election of directors. We expect no broker non-votes on the proposal regarding the ratification of the appointment of BDO as our independent registered public accounting firm for 2016, and abstentions will have no effect on this proposal.

Who pays for solicitation of proxies?

We are paying the cost of soliciting proxies. We will reimburse brokerage firms and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for sending proxy materials to stockholders and obtaining their votes. In addition to soliciting the proxies by mail, certain of our directors, officers and regular employees, without compensation, may solicit proxies personally or by telephone, facsimile and email.

Where can I find the voting results of the annual meeting?

Primo will announce preliminary or final voting results at the annual meeting and publish final results in a Form 8-K filed with the SEC within four business days of the completion of the meeting.

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What is the deadline to propose actions for consideration or to nominate individuals to serve as directors at the 2017 annual meeting of stockholders?

Requirements for Stockholder Proposals to Be Considered for Inclusion in Primo's Proxy Materials. Stockholder proposals to be considered for inclusion in the proxy statement and form of proxy relating to the 2017 annual meeting of stockholders must be received no later than November 29, 2016. In addition, all proposals will need to comply with Rule 14a-8 of the Securities Exchange Act of 1934, which lists the requirements for the inclusion of stockholder proposals in company-sponsored proxy materials. Stockholder proposals must be delivered to Primo's Corporate Secretary at 101 North Cherry Street, Suite 501, Winston-Salem, North Carolina 27101.

Requirements for Stockholder Proposals to Be Brought Before the 2017 Annual Meeting of Stockholders. Notice of any director nomination or other proposal that you intend to present at the 2017 annual meeting of stockholders, but do not intend to have included in the proxy statement and form of proxy relating to the 2017 annual meeting of stockholders, must be delivered to Primo's Corporate Secretary at 101 North Cherry Street, Suite 501, Winston-Salem, North Carolina 27101 not earlier than the close of business on December 29, 2016 and not later than the close of business on January 28, 2017. In addition, your notice must set forth the information required by our bylaws with respect to each director nomination or other proposal that you intend to present at the 2017 annual meeting of stockholders.

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## Principal Stockholders

The following table provides information about the beneficial ownership of our common stock as of March 4, 2016 by:

- each person that owned more than 5% of our outstanding common stock as of such date;
- each of our directors and director nominees;
- each of our named executive officers; and
- all of our directors, director nominees and current executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes any shares over which a person exercises sole or shared voting or investment power. Under these rules, beneficial ownership also includes any shares as to which the individual or entity has the right to acquire beneficial ownership of within 60 days of March 4, 2016 through the exercise of any warrant, stock option or other right. Except as noted, and subject to community property laws where applicable, we believe that the stockholders named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. Unless otherwise indicated in the notes below, the address for each of the individuals listed below is c/o Primo Water Corporation, 101 North Cherry Street, Suite 501, Winston-Salem, North Carolina 27101.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (#)	Percentage of Common Stock Outstanding (%)(1)
Billy D. Prim	2,666,916 (2)	10.2
Zelman Capital, LLC	1,938,148 (3)	7.5
Manatuck Hill Partners, LLC	1,782,900 (4)	6.9
Akre Capital Management, LLC	1,679,313 (5)	6.5
Richard A. Brenner	161,125 (6)	*
Susan E. Cates	15,873 (7)	*
Jack C. Kilgore	134,693 (8)	*
Malcolm McQuilkin	490,062 (9)	1.9
David L. Warnock	996,645 (10)	3.8
Mark Castaneda	391,493 (11)	1.5
Matthew T. Sheehan	159,756 (12)	*

Directors, director nominees and current executive officers as a group (8 individuals)	5,016,563	18.7
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\* Represents beneficial ownership of less than 1.0%.

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(1) A total of 25,815,586 shares of common stock were outstanding on March 4, 2016.

Consists of (a) 2,332,878 shares of common stock held directly (419,705 of which are pledged as security); (b) 175,460 shares of common stock issuable upon the exercise of warrants held directly that are presently exercisable (4,218 of which are pledged as security); (c) 91,500 shares of common stock issuable upon the exercise of stock options held directly that are presently exercisable or become exercisable within 60 days of the record date; (d) 4,791 shares of common stock held by BD Prim, LLC (as to which he has shared voting and investment power); (e) 4,791 shares held by the Billy D. Prim Revocable Trust (as to which he has shared voting and investment power); (f) 23,957 shares of common stock held by 2010 Irrevocable Trust fbo Sarcanda W. Bellissimo (as to which he has shared voting and investment power); (g) 23,957 shares of common stock held by 2010 Irrevocable Trust fbo Anthony Gray Westmoreland (as to which he has shared voting and investment power); (h) 4,791 shares of common stock held by the 2010 Irrevocable Trust fbo Jager Gray In Dean Bellissimo (as to which he has shared voting and investment power); and (i) 4,791 shares of common stock held by the 2010 Irrevocable Trust fbo Joseph Alexander Bellissimo (as to which he has shared voting and investment power). Excludes 8,032 shares of common stock and 1,791 shares of our common stock issuable upon the exercise of warrants held directly by Deborah W. Prim, Mr. Prim's spouse. Also excludes 872,642 deferred stock units earned under the Company's Value Creation Plan and deferred pursuant to the Company's Deferred Compensation Plan. Shares of common stock are to be issued with respect to such deferred stock units in equal annual installments in January of 2018, 2019, 2020, 2021 and 2022.

This information is derived solely from a Schedule 13G/A filed with the SEC on February 16, 2016 in which (a) Zelman Capital, LLC is reported as the beneficial owner of 1,938,148 shares of the Company's common stock with sole voting power with respect to 1,938,148 shares and sole power to dispose or direct the disposition of 1,938,148 shares; (b) Zelman Capital Master Fund, LLC is reported as the beneficial owner of 1,938,148 shares of the Company's common stock with sole voting power with respect to 1,938,148 shares and sole power to dispose or direct the disposition of 1,938,148 shares; and (c) David S. Zelman is reported as the beneficial owner of 2,037,507 shares of the Company's common stock with sole voting power with respect to 2,037,507 shares and sole power to dispose or direct the disposition of 2,037,507 shares. Zelman Capital, LLC may be deemed to be a beneficial owner of the shares of the Company's common stock owned by Zelman Capital Master Fund, LLC as, in its capacity as the general partner and investment manager to Zelman Capital Master Fund, LLC, it has the power to dispose, direct the disposition of, and vote such shares. Mr. Zelman is the Managing Partner of Zelman Capital, LLC. As the control person of Zelman Capital, LLC, Mr. Zelman may be deemed to beneficially own such shares. The address for each of the entities or persons listed in this footnote is 3333 Richmond Rd., Suite 340, Beachwood, OH 44122.

This information is derived solely from a Schedule 13G filed with the SEC on February 16, 2016 in which Manatuck Hill Partners, LLC is reported as the beneficial owner of 1,782,900 shares of the Company's common (4) stock with shared voting power with respect to 1,782,900 shares and shared power to dispose or direct the disposition of 1,782,900 shares. The address for each of the entities or persons listed in this footnote is 1465 Post Road East, Westport, CT 06880.

This information is derived solely from a Schedule 13G/A filed with the SEC on February 16, 2016 in which Akre Capital Management, LLC and Charles T. Akre, Jr. are reported as the beneficial owners of 1,679,313 shares of the Company's common stock with shared voting power with respect to 1,679,313 shares of the Company's common stock and shared power to dispose or direct the disposition of 1,679,313 shares of the Company's common stock. (5) Braddock Partners, L.P. is reported as the beneficial owner of 1,503,390 of such shares of the Company's common stock with shared voting power with respect to 1,503,390 shares of the Company's common stock and shared power to dispose or direct the disposition of 1,503,390 shares of the Company's common stock. The address for each of the entities or persons listed in this footnote is P.O. Box 998, Middleburg, VA 20118.

Consists of (a) 129,491 shares of common stock held directly; (b) 6,965 shares of common stock issuable upon the exercise of warrants held directly that are presently exercisable; (c) 24,385 shares of common stock issuable upon the exercise of options held directly that are presently exercisable or become exercisable within 60 days of the record date; (d) 142 shares of common stock issuable upon the exercise of warrants held by the ALB-3 Trust, of (6) which he is the trustee, that are presently exercisable; and (e) 142 shares of common stock issuable upon the exercise of warrants held by the ALB-5 Trust, of which he is the trustee, that are presently exercisable. Mr. Brenner may be deemed to have voting and investment power with respect to securities held by the ALB-3 Trust or the ALB-5 Trust and expressly disclaims beneficial ownership of any such securities, except to the extent of his pecuniary interest therein, if any.

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(7) Consists of 15,873 shares of common stock held directly.

(8) Consists of (a) 106,894 shares of common stock held directly; (b) 5,714 shares of common stock issuable upon the exercise of warrants held directly that are presently exercisable; and (c) 22,085 shares of common stock issuable upon the exercise of options held directly that are presently exercisable or become exercisable within 60 days of the record date.