

Chefs' Warehouse, Inc.  
Form DEF 14A  
April 04, 2018

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

SCHEDULE 14A

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

Filed by the Registrant  
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-11(c) or Rule 14a-12

The Chefs' Warehouse, 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:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

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The Chefs' Warehouse, Inc.  
Notice Of Annual Meeting Of Stockholders  
To Be Held On May 18, 2018

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders (the "Annual Meeting") of The Chefs' Warehouse, Inc. (the "Company"), which will be held on Friday, May 18, 2018 at 10:00 a.m. We are pleased that the Annual Meeting will be a completely virtual meeting, which will be conducted via live webcast. You will be able to attend the Annual Meeting online, vote your shares electronically and submit your questions during the Annual Meeting through a virtual web conference at [www.virtualshareholdermeeting.com/chef18](http://www.virtualshareholdermeeting.com/chef18).

We are holding the Annual Meeting for the following purposes:

- To elect Christina Carroll, Dominick Cerbone, John A. Couri, Joseph Cugine, Steven F. Goldstone, Alan Guarino, 1. Stephen Hanson, Katherine Oliver, Christopher Pappas, John Pappas, and David E. Schreiber as directors to hold office until the next annual meeting of stockholders and until their respective successors are elected and qualified;
2. To ratify the selection of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 28, 2018;
3. To approve, on a non-binding, advisory basis, the compensation of the Company's named executive officers as disclosed in the proxy statement that accompanies this notice;
4. To vote, on a non-binding, advisory basis, on the frequency (once every one year, two years or three years) that stockholders of the Company will have a non-binding, advisory vote on the compensation of the Company's named executive officers; and
5. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

These matters are more fully described in the accompanying proxy statement. We are not aware of any other business to be transacted at the Annual Meeting.

Only stockholders of record on our books at the close of business on March 19, 2018 will be entitled to vote at the Annual Meeting and at any adjournments or postponements of the Annual Meeting. For 10 days prior to the Annual Meeting, a list of stockholders entitled to vote will be available for inspection by any stockholder for any purpose germane to the Annual Meeting at our principal executive offices located at 100 East Ridge Road, Ridgefield, Connecticut 06877. If you would like to view the stockholder list, please call our General Counsel, Corporate Secretary and Chief Government Relations Officer, Alexandros Aldous, at (203) 894-1345, to schedule an appointment. The stockholder list will also be available on the Internet through the virtual web conference during the Annual Meeting.

In accordance with rules approved by the Securities and Exchange Commission, we are furnishing proxy materials to our stockholders over the Internet. On or about April 4, 2018, we mailed to all stockholders of record as of the close of business on March 19, 2018 a notice containing instructions on how to access our Annual Report to Stockholders, which contains our audited consolidated financial statements for the fiscal year ended December 29, 2017, and our proxy statement, proxy card and other items of interest to stockholders on the Internet website indicated in our notice, as well as instructions on how to vote. The April 4, 2018 notice also provides instructions on how you can request a paper copy of our proxy materials and Annual Report to Stockholders.

You may vote your shares at the Annual Meeting via the Internet, by telephone or by completing, dating, signing and promptly returning a proxy card to us in the envelope provided, if you requested and received a paper copy of the proxy card by mail. The proxy materials provide you with details on how to vote by these methods. We encourage you to vote in the method that suits you best so that your shares will be voted at the Annual Meeting.

By Order of the Board of Directors,

/s/ Christopher Pappas

Christopher Pappas

April 4, 2018 Chairman of the Board

PLEASE VOTE. STOCKHOLDERS MAY VOTE VIRTUALLY AT THE ANNUAL MEETING OR BY INTERNET, TELEPHONE OR MAIL. PLEASE REFER TO YOUR PROXY CARD OR THE NOTICE OF PROXY AVAILABILITY DISTRIBUTED TO YOU ON OR ABOUT APRIL 4, 2018 FOR INFORMATION ON HOW TO VOTE BY INTERNET, TELEPHONE OR MAIL.

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PROXY STATEMENT SUMMARY

Below are the highlights of important information you will find in this Proxy Statement. Please review the full Proxy Statement before casting your vote.

Meeting Information	Voting Matters		
Time and Date:	Voting Matter	Board Recommendation	Page
10:00 a.m., on Friday, May 18, 2018	Proposal 1 - Election of Directors	FOR EACH NOMINEE	<u>16</u>
Attending the Meeting:	Proposal 2 - Selection of Independent Registered Public Accounting Firm	FOR	<u>41</u>
The Annual Meeting will be hosted on the Internet through a virtual web conference at <a href="http://www.virtualshareholdermeeting.com/chef18">www.virtualshareholdermeeting.com/chef18</a>	Proposal 3 - Advisory Vote to Approve Executive Compensation	FOR	<u>44</u>
	Proposal 4 - Frequency of Advisory Vote to Approve Executive Compensation	FOR ONE YEAR	<u>45</u>

Recent Highlights and Achievements

New Leadership: The Company recently appointed experienced leaders to key positions:

James Leddy, Chief Financial Officer and Assistant Corporate Secretary. Mr. Leddy brings over twenty-five years of experience in finance, including his most recent positions at JetBlue Airways as interim Chief Financial Officer from November 2016 to February 2017 and Senior Vice President and Treasurer from 2012 to November 2016. Prior to joining JetBlue, Mr. Leddy served as Senior Vice President, Treasury and Cash Management at NBCUniversal from 2008 until 2012, and as a Senior Technical Advisor at General Electric from 2003 until 2008. Previously, Mr. Leddy held corporate risk and treasury management positions at First Union National Bank and Dai-ichi Kangyo Bank.

Tim McCauley, Chief Accounting Officer. Mr. McCauley joined the Company as Controller in May 2015. Mr. McCauley has over thirty years of experience in accounting and finance roles across a variety of industries. Mr. McCauley's prior work experience includes serving as Vice President - Finance at MacDermid Inc., Corporate Controller at Northern Tier Energy LP, Director of Financial Reporting and Investor Relations at Presstek, Inc. and Finance Director at Eastman Kodak Company. Prior to joining Eastman Kodak Company, Mr. McCauley worked with PricewaterhouseCoopers for eleven years in their assurance and business advisory practice.

Business Highlights: The Company made significant progress in reaching its strategic goals:

Selective Acquisition: On August 25, 2017, the Company entered into an asset purchase agreement to acquire substantially all of the assets of Fells Point Wholesale Meats, a specialty protein manufacturer and distributor based in the metro Baltimore and Washington, D.C. area.

Improved Internal Controls: The Company appointed a new Chief Accounting Officer to oversee the integrity of the Company's accounting and internal controls process, which was previously overseen by the Chief Financial Officer.

Net sales for fiscal 2017 increased approximately 9.1% to approximately \$1.30 billion from approximately \$1.19 billion in fiscal 2016.



Corporate Strategy: The Company's management and the Board have identified and developed the following key strategies for the Company:

- Maintaining and expanding the customer base in key culinary markets, including New York, Washington, D.C., San Francisco and Los Angeles;

- Expanding the base of premier customer relationships;

- Increasing penetration with the existing customer base;

- Pursuing selective acquisitions; and

- Engaging in operational initiatives focused on unit cost reduction.

Enhancement of Internal Controls: In 2017, following review and approval by the Board, the Company applied a number of procedures to improve and maintain its internal controls over financial reporting. As a result, the Company:

- Reviewed and updated internal control processes and documentation;

- Adopted remedial measures for internal control deficiencies; and

- Appointed a new Chief Accounting Officer to focus on overseeing the integrity of the Company's accounting and internal controls process, which was previously overseen by the Chief Financial Officer.

#### Governance Highlights

We believe that good governance practices benefit our shareholders by improving the Company's accountability and transparency. The Company is committed to maintain and improve its corporate governance practices.

Annual Elections	Yes	Stock Ownership Guidelines for Executives	Yes
Lead Independent Director	Yes	Anti-Hedging	Yes
Board Independence	81.8%	Code of Conduct and Ethics	Yes
Committee Independence	100%	Board Member Recruiting Guidelines	Yes
Number of Financial Experts	2	Executive Sessions of the Board	Yes
Board Diversity	18.1% female	Anonymous Reporting	Yes
Board Committees Complete Annual Self-Evaluations	Yes	Clawback Policy	Yes
Over-Boarding Policy	Yes		

## Director Nominees

At the Meeting, you are being asked to vote on the election of the following eleven director nominees. Detailed information on each director is available starting on page 16.

Name	Age	Director Since	Experience	Committee Membership		
				Independent	Audit Compensation	Nominating/ Governance
Christopher Pappas	57	2011	Founder, Chairman, President and CEO, The Chefs' Warehouse, Inc.	No		
John Pappas	53	2011	Founder, Vice Chairman and Former COO, The Chefs' Warehouse, Inc.	No		
Christina Carroll	52	2018	Managing Director, Stout Risius Ross, LLC	Yes	•	•
Dominick Cerbone	72	2012	Former Partner, Ernst & Young	Yes	Chair •	
John A. Couri	75	2011	President, Couri Foundation	Yes	•	Chair
Joseph Cugine	56	2012	President, BarFresh Food Group Inc.	Yes	• •	
Steven F. Goldstone	71	2016	Non-Executive Chairman, ConAgra Foods, Inc.	Yes		•
Alan Guarino	57	2012	Vice Chairman of Global Financial Markets, Korn/Ferry International	Yes	Chair	•
Stephen Hanson	67	2011	Former President, B.R. Guest Restaurants	Yes	•	•
Katherine Oliver	54	2015	Principal, Bloomberg Associates	Yes	•	•
David E. Schreibman	50	2018	Former Executive Vice President, US Foods, Inc.	Yes	•	

## Shareholder Outreach

We believe an open and transparent dialogue with our shareholders is an essential element of good corporate governance. Last year, members of our Board and management reached out to the top 10 shareholders. We hold calls with our top investors each quarter and also hold periodic calls on an ad hoc basis. During our calls, we discuss corporate governance practices, the Company's strategy and performance, executive compensation programs, board composition and other items of shareholder interest. Our dialogue with the shareholders helped us to improve our corporate governance practices and executive compensation programs during fiscal 2017.

Each spring, we mail all shareholders a copy of the Company's Annual Report and Proxy Statement. Shareholders may access our Annual Report, Proxy Statement, committee charters, investor presentations, Code of Business Conduct and Ethics, Corporate Governance Guidelines, Insider Trading Policy and Bylaws at [www.chefswarehouse.com](http://www.chefswarehouse.com).

Shareholders may contact any director, committee of the board, non-management director or the Board:  
via U.S. Mail at:

The Chefs' Warehouse, Inc.

Attn: Alexandros Aldous, General Counsel, Corporate Secretary and Chief Government Relations Officer

100 East Ridge Road

Ridgefield, Connecticut 06877

via e-mail at:

[ir@chefswarehouse.com](mailto:ir@chefswarehouse.com)





Executive Compensation Overview

The Company's executive compensation program, set forth by the Compensation and Human Capital Committee (the "Compensation Committee"), is designed to implement our executive pay philosophy to:

• Attract and retain talented and experienced executives and other key employees;

• Align the interests of executives with our business plans through the use of Company-wide performance metrics based on those plans ("pay for performance") and retention programs to retain employees key to their implementation;

• Incentivize achievement of annual financial, functional and individual objectives; and

• Create a fair and measurable compensation model for rewarding performance and attracting and retaining key members of management.

Compensation Practices

What We Do

Pay for Performance  
 Double Trigger Change in Control Provisions  
 Independent Compensation Advisors  
 Clawback Policy

What We Don't Do

No Tax Gross-Ups  
 No Repricing of Underwater Options  
 No Cash Buyouts of Underwater Options  
 No Short Sales of Company Stock  
 No Hedging of Company Stock  
 No Supplemental Retirement Benefits for Executives

Elements of Compensation for 2017

Taking into account the above-described objectives and our peer group comparisons, the Compensation Committee designed a fiscal 2017 compensation package for our named executive officers that consisted of the following principal components.

Compensation Element	Component	Performance Metrics	Objective	
Base Salary	The guaranteed part of our executives' pay. Base salary reflects different levels of responsibility within the Company, the skills and experience required for the job, individual performance and labor market conditions	Cash	None	Competitive level of fixed compensation
Annual Bonus	Performance-based cash incentive payments	Cash	Targets relating to 2017 revenue and adjusted EBITDA ("AEBITDA")	Incentivize top- and bottom-line growth
Long-Term Incentives	Equity based incentives earned based on the attainment of performance objectives and/or continued service with the Company	<ul style="list-style-type: none"> <li>• Performance-based restricted stock (70%)</li> <li>• Time-based restricted stock (30%)</li> </ul>	Performance-based restricted stock is earned based on attainment of AEBITDA margin and ROIC targets over a three-year measurement period	Align the interests of key employees with shareholders and reward performance that enhances long-term value
Retirement and Other Benefits				