

POOL CORP  
Form DEF 14A  
March 28, 2019

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 under § 240.14a-12

Pool Corporation

(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.

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

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POOL CORPORATION

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Pool Corporation (the Company, we, us or our) will host its 2019 annual meeting of stockholders (the Annual Meeting) on Wednesday, May 1, 2019, at 9:00 a.m., Central Time, at our corporate headquarters, located at 109 Northpark Boulevard, Covington, Louisiana 70433.

At the Annual Meeting, you will be asked to:

1. elect eight directors, each to serve a one-year term or until their successors have been elected and qualified;
2. ratify the retention of Ernst & Young LLP, certified public accountants, as our independent registered public accounting firm for the 2019 fiscal year;
3. cast a non-binding advisory vote to approve the compensation of our named executive officers as disclosed in the attached Proxy Statement (the say-on-pay vote); and
4. consider any other business which may properly arise at the Annual Meeting.

The accompanying Proxy Statement describes the matters being voted on and contains other information relating to Pool Corporation.

The Board of Directors has set March 14, 2019 as the record date for the Annual Meeting. This means that only record owners of the Company's common stock at the close of business on that date are entitled to notice of, and to vote at, the Annual Meeting and at any adjournment or postponement of the Annual Meeting.

By Order of the Board of Directors,

Jennifer M. Neil  
Corporate Secretary  
Covington, Louisiana  
March 28, 2019

Every stockholder's vote is important. Please sign, date and return the enclosed proxy card, or authorize your proxy by telephone or via the internet. See "Frequently Asked Questions Regarding Attendance and Voting" for information about voting by telephone or internet.

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POOL CORPORATION

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POOL CORPORATION

109 Northpark Boulevard  
Covington, Louisiana 70433

PROXY STATEMENT

Frequently Asked Questions Regarding Attendance and Voting

Q: Why am I receiving these materials?

A: The Board of Directors (the Board) of Pool Corporation (the Company, we, us or our) is providing these proxy materials to you in connection with its solicitation of proxies for use at the 2019 annual meeting of our stockholders (the Annual Meeting). Stockholders at the close of business on March 14, 2019, the record date, are entitled to vote at the Annual Meeting.

Q: Who may vote?

A: With respect to the election of directors, each stockholder is entitled to one vote for every share of common stock, \$0.001 par value (Common Stock) owned on the record date for each position to be filled. For all other matters, each stockholder is entitled to one vote on each matter presented for each share of our Common Stock owned on the record date. On March 14, 2019, there were approximately 39,599,011 shares of our Common Stock outstanding. This Proxy Statement is being mailed to stockholders on or about March 28, 2019.

Q: When and where will the Annual Meeting be held?

A: The Annual Meeting will be held on Wednesday, May 1, 2019, at 9:00 a.m., Central Time, at our corporate headquarters, located at 109 Northpark Boulevard, Covington, Louisiana 70433.

Q: How can I obtain directions to the Annual Meeting?

A: To obtain directions to the Annual Meeting, please contact Investor Relations at (985) 892-5521.

Q: What proposals will be voted upon at the Annual Meeting?

A: At the Annual Meeting, you will be asked to:

- (1) elect eight directors to the Board of Directors, each to serve a one-year term or until their successors have been elected and qualified;
- (2) ratify the retention of Ernst & Young LLP as our independent registered public accounting firm for the 2019 fiscal year; and
- (3) cast a non-binding advisory vote to approve the compensation of our named executive officers as disclosed in this Proxy Statement (the say-on-pay vote).

The Board does not know of any additional matters to be presented at our Annual Meeting other than those described in this Proxy Statement.

Q: What are the Board's voting recommendations?

A: The Board unanimously recommends that you vote your shares FOR the election of each of the director nominees and FOR proposals 2 and 3 described above.

Q: How do I vote?

A: If you are a holder of record (that is, if your shares are registered in your own name with our transfer agent), you may vote using the enclosed proxy card. You can also vote by telephone or the internet. Voting instructions are provided on the proxy card included in the proxy materials.

If you are a street name holder (that is, if you hold your shares through a bank, broker or other holder of record), you must vote in accordance with the voting instruction form provided by your bank, broker or other holder of record. The availability of telephone or internet voting will depend upon the voting process of your bank, broker or other holder of record.

If you come to the Annual Meeting, you can, of course, vote in person. If you are a street name holder and wish to vote at the meeting, you must first obtain a proxy from your bank, broker or other holder of record authorizing you to vote.

Q: How many votes must be represented to hold the Annual Meeting?

A: In order to carry on the business of the Annual Meeting, a quorum must be present. This means at least a majority of the outstanding shares eligible to vote must be represented at the Annual Meeting, either by proxy or in person. If you submit your proxy instructions or if you attend the Annual Meeting in person, your shares will be counted for the purpose of determining a quorum, even if you abstain from voting on some or all matters introduced at the Annual Meeting. Also, if you hold your shares in street name, your shares will be counted in determining a quorum if your bank, broker or other holder of record votes your shares on any matter.

Q: Could other matters be decided at the Annual Meeting?

A: We are not aware of any matters to be presented other than those described in this Proxy Statement. By signing and returning a proxy card, however, you will give to the persons named as proxies discretionary voting authority with respect to any other matter that may properly come before the Annual Meeting, and they intend to vote on any such matter in accordance with their best judgment.

Q: What if I do not indicate my voting instructions for one or more of the matters on my proxy card?

A: If you execute and return your proxy but do not give voting instructions, your shares will be voted as recommended by the Board. This means that unless your proxy is otherwise marked, properly executed proxies will be voted FOR the election of each of the director nominees and FOR proposals 2 and 3 (the ratification of the independent registered public accounting firm for fiscal year 2019 and the say-on-pay vote).

Q: What happens if I do not return my proxy? What is discretionary voting authority, and what is a broker non-vote?

A: If you are a holder of record and do not return a proxy, your shares will not be voted.

If you are a street name holder and do not provide voting instructions to your broker, your shares may be voted on any matter on which your broker has discretionary authority to vote. Under the rules of the New York Stock Exchange (NYSE), brokers generally have discretionary authority to vote on “routine” matters but not on “non-routine” matters. A “broker non-vote” occurs when a broker holding shares for a street name holder returns a valid proxy, but does not vote on a particular proposal because it does not have discretionary authority to vote on the matter and has not received voting instructions from the stockholder for whom it is holding shares. Broker non votes will be treated as present for purposes of determining the existence of a quorum at the Annual Meeting.

The ratification of the appointment of the independent registered public accounting firm is considered a routine matter; the remaining proposals listed in this Proxy Statement (the election of directors and the say-on-pay vote) are classified as non routine matters under the NYSE rules. Therefore, if you are a street name holder and do not provide voting instructions to your broker, your broker may only cast a vote with regard to the ratification of the appointment of the independent registered public accounting firm.

Q: What is the vote required, and how will my vote be counted, to elect the director nominees and to approve the other proposals discussed in this proxy statement?

Proposal	Voting Options	Vote Required to Adopt the Proposal	Effect of Abstentions	Effect of Broker Non-Votes
No. 1 - Elect eight directors	For, against or abstain on each director nominee	Affirmative vote of a majority of the votes cast	N/A	No effect
No. 2 - Ratify retention of independent registered public accounting firm	For, against or abstain	Affirmative vote of a majority of the shares of Common Stock present in person or by proxy and entitled to vote	Treated as votes against	N/A
No. 3 - Say-on-pay vote	For, against, or abstain	Affirmative vote of a majority of the shares of Common Stock present in person or by proxy and entitled to vote	Treated as votes against	No effect

In uncontested elections, our directors are elected by the affirmative vote of the holders of a majority of the shares of our Common Stock voted. In contested elections (where the number of director nominees exceeds the number of directors to be elected), our directors are elected by a plurality of shares of our Common Stock voted. Under our Bylaws, all other matters require the affirmative vote of the holders of a majority of the shares of our Common Stock present in person or by proxy and entitled to vote, except as otherwise provided by statute, our Certificate of Incorporation or our Bylaws.

Q: Can I change or revoke my proxy?

A: Yes. To change or revoke your proxy at any time before the shares are voted at the Annual Meeting, you must either:

a) mail (i) a new proxy card with a later date or (ii) a written revocation addressed to:

Pool Corporation

Jennifer M. Neil, Corporate Secretary

109 Northpark Boulevard

Covington, LA 70433-5001

or

b) attend the Annual Meeting and vote in person.

Q: Who will pay the expenses incurred in connection with the solicitation of my vote?

A: We pay the cost of preparing proxy materials and soliciting your vote. We will, upon request, reimburse brokers and other nominees for the cost of mailing materials to beneficial owners. Some of our employees, who will receive no additional compensation, may solicit proxies by telephone, facsimile or electronic mail. We also pay all Annual Meeting expenses.

Q: What happens if the Annual Meeting is postponed or adjourned?

A: Unless a new record date is fixed, your proxy will still be good and may be voted at the postponed or adjourned Annual Meeting. You will still be able to change or revoke your proxy at any time until it is voted.

Important notice regarding the availability of proxy materials for the Annual Meeting to be held on May 1, 2019: The Company's 2019 Proxy Statement and Annual Report to Stockholders for the fiscal year ended December 31, 2018 are available at <http://ir.poolcorp.com/Proxy>.

## ELECTION OF DIRECTORS

### (Proposal 1)

#### General

Our Bylaws provide that the size of our Board may be increased or decreased from time to time by resolution of the Board. On October 30, 2018, the Board increased the size of the Board to eight members and upon recommendation of the Nominating and Corporate Governance Committee, appointed Debra S. Oler.

The Board, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated each of our eight current directors to serve another one-year term. Other than Ms. Oler, each of the nominees was previously elected a director of the Company by our stockholders, and each of the nominees has indicated his or her intention to serve if elected. However, if any director nominee is unable or unwilling to take office at the Annual Meeting, your proxy may be voted in favor of another person or other persons nominated by the Board. Once elected, each director will hold office until his or her successor has been elected and qualified or until the director's earlier resignation or removal.

Our Bylaws include a majority voting standard in uncontested director elections. This means that if the number of shares voted for the election of any sitting director is less than the number of votes withheld or against election with respect to that director, that director must submit a letter to the Board offering to resign. The Board, after considering the recommendation of the Nominating and Corporate Governance Committee, must make a decision whether to accept, reject or take other action with respect to the resignation within 90 days from certification of the election results.

#### Information about our Director Nominees

Below is biographical information about each of our director nominees including information regarding tenure as a director, business experience and qualifications, education, and other company directorships. The summaries are not comprehensive, but describe the primary experiences, attributes and skills that led the Nominating and Corporate Governance Committee and our Board to determine that these individuals should serve as directors of our Company. In addition to the qualifications referred to below, we believe each individual has a reputation for integrity, honesty, and high ethical standards and has demonstrated sound business judgment.

Andrew W. Code (60)

Director since: 1993

Business experience:

Mr. Code was a founding partner of CHS Capital, a Chicago-based private equity investment firm with five funds totaling over \$2.7 billion in assets from 1998 until his retirement in 2012. Since 2012, he has focused on personal and philanthropic investments both individually and in association with a multi-family office.

Other directorships:

Mr. Code serves as a director of Legacy Acquisition Corp., an acquisition company focused on consumer packaged goods and other consumables. Mr. Code also serves as a member of various private, profit and non-profit boards of directors, including the University of Iowa Foundation, where he serves as chair of the investment committee, Resource Land Holdings, Creation Investments, Pure Foods, Golden Bake, LaSalle Capital, Quality Control Corporation, Chicago Fellowship and Boat House Holdings LLC.

Other qualifications:

Mr. Code holds a Bachelor of Arts and a Master of Business Administration from the University of Iowa. Among other qualifications, Mr. Code brings to the Board extensive financial expertise, many years of senior leadership and business development experience, and significant acquisition and initial public offering experience.



Areas of experience include:

• Finance

• Mergers and acquisitions

• Strategic opportunities

• Management

• Compensation

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Timothy M. Graven (67)

Director since: 2015

Business experience:

Mr. Graven is a co-founder and managing member of Triad Investment Company, LLC, a private investment company, since 1994. From 1990 to 1994, he served as president, chief operating officer and director of Steel Technologies, Inc., a former Nasdaq listed steel processing company, where he also served in various positions including executive vice president, chief financial officer, vice president of finance and corporate controller from 1979 to 1990.

Other directorships:

From 1993 to 2008, Mr. Graven was a director of Performance Food Group Company (PFG), a foodservice distribution company, serving on its audit, compensation, and corporate governance committees. From 1981 to 1994, he served as a director of Steel Technologies, Inc. and from 1988 to 1994 as a director of Processing Technologies, Inc., a joint venture of LTV Steel, Mitsui Steel Development Company and Steel Technologies, Inc.

Other qualifications:

Mr. Graven received a Bachelor of Science from Murray State University and is a certified public accountant. Among other qualifications, Mr. Graven brings to the Board broad leadership and corporate governance experience as well as comprehensive experience in financial and risk management matters.

Areas of experience include:

Finance

Management

Compensation

Corporate governance

Audit

Debra S. Oler (64)

Director since: October 30, 2018

Business experience:

Since 2017, Ms. Oler has served as senior vice president/president, North American sales and service of W.W. Grainger, Inc. (Grainger), a distributor of maintenance, repair and operating supplies used by businesses and institutions. Since joining Grainger as regional sales vice president in 2002, Ms. Oler has held several roles with increasing responsibility. Prior to joining Grainger, Ms. Oler gained extensive sales and leadership experience with Alliant FoodService, Inc. from 1996 to 2002, Kraft Foods from 1986 to 1996 and I. Feldman & Company from 1973 to 1986.

Other qualifications:

Ms. Oler holds a Bachelor of Science from the University of Maryland. Among other qualifications, Ms. Oler brings to the Board extensive leadership and general management experience, a strong history of strategic go-to-market and sales team development, a proven track record of driving revenue growth, and significant customer service experience.

Areas of experience include:

Business development

Management

Marketing

Finance

Distribution knowledge

Manuel J. Perez de la Mesa (62)

Director since: 2001

Business experience:

Mr. Perez de la Mesa served as our president and chief executive officer from 2001 until his retirement at the end of 2018; he served as our president and chief operating officer from 1999 to 2001. Prior to leading Pool Corporation, he gained extensive general, financial and operations management experience with Watsco, Inc. from 1994 to 1999, Fresh Del Monte Produce B.V. from 1987 to 1994, International Business Machines Corp. from 1982 to 1987, and Sea Land Service Inc./R.J. Reynolds, Inc. from 1977 to 1982.

Other directorships:

Mr. Perez de la Mesa is a director of Hamilton HoldCo, LLC, the U.S. subsidiary of the Reece Group, a leading distributor of plumbing, waterworks and HVAC-R products in Australia and New Zealand, and AEA TCB Holdings LP, a distributor of glass and plastic rigid packaging in North America. He previously served as a director of ARC Document Solutions, a leading reprographics company.

Other qualifications:

Mr. Perez de la Mesa holds a Bachelor of Business Administration from Florida International University and a Master of Business Administration from St. John's University. Among other qualifications, Mr. Perez de la Mesa brings to the Board extensive management experience, 20 years of industry knowledge, a broad strategic vision for the Company, and a strong financial acumen.

Areas of experience include:

Management

Strategic planning

International operations

Finance

Industry knowledge

Harlan F. Seymour (69)

Director since: 2003

Business experience:

Since 2000, Mr. Seymour conducts personal investments in both public and private companies and provides business advisory services through HFS LLC, particularly in the area of strategic planning services for companies in a wide variety of industries. He previously served as executive vice president of Envoy Corporation, a publicly traded provider of EDI and transaction processing services for the healthcare market, from 1997 to 1999 when it merged with Quintiles Transnational. Mr. Seymour has previous general, financial and operations management experience with Jefferson Capital Partners from 1996 to 1997, Trigon Blue Cross Blue Shield from 1994 to 1996, and First Financial Management Corporation from 1983 to 1994, serving from 1990 to 1994 as president and chief executive officer of its subsidiary, First Health Services Corporation and previously as senior vice president, corporate development.

Other directorships:

Mr. Seymour serves as a member of various private boards of directors, including Rx Innovation, a company that provides technology solutions to pharmacies and utilizes pharmacy transactions data to improve patient outcomes and the advisory board of Calvert Street Capital Partners, a private equity firm. He was previously a director of Envoy Corporation and chairman of ACI Worldwide, Inc. (ACI), a global provider of software for electronic payments and electronic commerce.

Other qualifications:

Mr. Seymour earned a Bachelor of Arts from the University of Missouri and a Master of Business Administration from Keller Graduate School of Management. Among other qualifications, Mr. Seymour brings to the Board senior leadership experience, information technology knowledge, strategic planning, operating and acquisition expertise.

Areas of experience include:

Strategic planning

Business development

Operations

Information technology

Finance

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Robert C. Sledd (66)

Director since: 1996

Business experience:

Since 2001, Mr. Sledd is the managing partner of Pinnacle Ventures, LLC, a venture capital firm, and Sledd Properties, LLC, an investment company. He previously served as chief executive officer of PFG from 1987 to 2001 and from 2004 to 2006.

Other directorships:

Mr. Sledd is the chairman of Owens & Minor, Inc., a distributor of medical and surgical supplies; he is also a director of Universal Corporation, a diversified agriculture business, and serves on its audit, finance and pension investment committees. Mr. Sledd was chairman of PFG from 1995 to 2008 and a director from 1987 to 2008.

Other qualifications:

Mr. Sledd graduated from the University of Tennessee with a Bachelor of Science in Business Administration. Among other qualifications, he brings to the Board executive leadership experience, including his past service as a chief executive officer of a public company, along with extensive strategic planning, brand marketing experience and financial expertise.

Areas of experience include:

Finance

Operations

Marketing

Business development

Strategic planning

John E. Stokely (66)

Director since: 2000

Lead independent director since: 2003

Chairman since: 2017

Business experience:

From 1996 to 1999 Mr. Stokely served as president, chief executive officer and chairman of Richfood Holdings, Inc., a regional Fortune 500 wholesale food distributor and operator of retail grocery stores prior to its acquisition by SuperValu Inc.

Other directorships:

Mr. Stokely is a director of Malibu Boats, Inc., a manufacturer of performance sports boats, and serves on its audit committee and nominating and governance committee. He was previously a director of O'Charley's Inc., a national restaurant chain, Nash Finch Company, a wholesale food distributor, PFG, Imperial Sugar Company, and ACI.

Other qualifications:

Mr. Stokely holds a Bachelor of Arts from the University of Tennessee. Among other qualifications, he brings to the Board experience in providing strategic, financial, and risk management advice to companies engaged in a variety of industries, unique strategic insight, distribution and retail expertise and extensive senior leadership experience.

Additionally, Mr. Stokely's previous experience as chief executive officer of Richfood Holdings, Inc. afforded him with significant acquisition experience.

Areas of experience include:

Finance

Management

Operations

Corporate governance

Distribution



David G. Whalen (61)

Director since: 2015

Business experience:

Mr. Whalen served as the president and chief executive officer of the A.T. Cross Company (subsequently Costa Inc.), from 1999 to 2014 when the company was sold. A.T. Cross manufactured and marketed writing instruments and personal accessories under the Cross brand name and premium sunglasses under the Costa brand name. From 1991 to 1999, Mr. Whalen held various senior positions with Bausch & Lomb Inc., including corporate vice president, president Europe, Middle East, and Africa division and president North America Ray-Ban Division. Earlier in his career, Mr. Whalen was vice president business development with G. Heileman Brewing Company and a consultant for Booz Allen Hamilton.

Other directorships:

Mr. Whalen serves as a director of Delta Apparel Inc., an international apparel design, marketing, manufacturing and sourcing company, and is a member of its corporate governance and compensation committees. Mr. Whalen previously served as a director of Phoenix Footwear Group, Inc. and A.T. Cross Company.

Other qualifications:

Mr. Whalen graduated from Trinity College with a Bachelor of Arts with honors, and he received a Master of Business Administration from the University of Chicago. Among other qualifications, Mr. Whalen brings to the Board background in developing and implementing operating strategies for global companies, distribution and retail expertise, and extensive senior leadership experience. Additionally, Mr. Whalen's previous success engineering a major restructuring as well as identifying and integrating a number of acquisitions affords him with unique strategic and operational insight.

Areas of experience include:

♣Marketing

♣Finance

♣Mergers and acquisitions

♣International operations

♣Strategic planning

The Board of Directors unanimously recommends that our stockholders vote FOR the election of each of the director nominees.

Our Nominating and Corporate Governance Committee recommended to our full Board of Directors the foregoing nominees, and our Board has nominated them for election by our stockholders. At least annually, our Nominating and Corporate Governance Committee evaluates the effectiveness of our Board and Board committees and reviews the appropriateness of the composition and size of our Board and Board committees. In considering potential nominees, our Nominating and Corporate Governance Committee looks for candidates with the highest personal and professional ethics, integrity and values, who can commit themselves to representing the long-term interests of our stockholders. Nominees must also have an inquisitive and objective perspective, practical wisdom and mature judgment. Nominees must be willing to devote sufficient time to carrying out their duties and responsibilities effectively and should be committed to serving on our Board for an extended period of time.

In reviewing the composition of our Board and potential nominees, our Nominating and Corporate Governance Committee also considers the director independence and committee requirements of The Nasdaq Stock Market LLC (Nasdaq) listing rules and all legal requirements. Our Board seeks independent directors with a broad diversity of experience, professions, skills, geographic representation and backgrounds that will enhance the quality of the Board's deliberations and decisions. Our Nominating and Corporate Governance Committee does not assign specific weights to particular criterion and no particular criterion is necessarily applicable to all prospective nominees. Prospective nominees are not discriminated against on the basis of gender, age, race, religion, national origin, sexual orientation, disability or any other basis proscribed by law.

Our Nominating and Corporate Governance Committee and Board believe the nominees fulfill the criteria described above. In addition, the Board has determined that seven of our eight director nominees (including all committee members) are independent under Nasdaq listing rules. All four current members of our Audit Committee are "audit committee financial experts," as defined by the Securities and Exchange Commission (SEC) rules. In addition to these attributes, each of the nominees has a strong and unique background and experience which led our Nominating and Corporate Governance Committee and Board to conclude that he or she should serve as a director of our Company. We describe these qualifications individually for each nominee above.

Our Company has grown rapidly through internal growth and acquisitions to become the world's largest wholesale distributor of swimming pool supplies, equipment and related leisure products and one of the top three distributors of irrigation products in the United States. We currently operate in 39 states, one U.S. territory and 12 foreign countries. Accordingly, our nominees have experience in a variety of areas important to our Company, such as managing and overseeing large public and private companies, corporate governance and executive compensation, strategic planning, mergers and acquisitions, financing growing businesses, international operations, information technology and marketing, and experience in our industry. Our Nominating and Corporate Governance Committee and Board believe that these nominees together provide us with the range and depth of experience and capabilities needed to oversee the management of our Company.

#### Director Independence

To be considered independent under the listing rules of Nasdaq, directors must be free from any relationship with management or the Company, which, in the opinion of the Board, would interfere with the exercise of independent judgment. The Board has determined that each of our current directors, other than Mr. Perez de la Mesa, meets the definition of an independent director as defined by Nasdaq listing rules. The Board's independent directors regularly meet in executive session (without management present) at each Board and committee meeting.

#### Board Leadership Structure



The principal responsibility of the chief executive officer (CEO) is to manage the business. The principal responsibilities of the Board are to represent the Company's stockholders and manage the operations of the Board and that of its committees.

Mr. Stokely currently serves as the Board's chairman. His responsibilities in this capacity include the following:

- assign tasks to the Board's committees;
- determine the appropriate schedule of Board meetings after consultation with our CEO and other Board members;
- consult with our CEO and other Board members on the agenda of the Board;
- assess the quality, quantity, and timeliness of the flow of information from management to the Board;
- direct the retention of consultants who report directly to the Board;
- oversee compliance with and implementation of corporate governance policies;
- coordinate, develop the agenda for, and moderate executive sessions of the Board's independent directors;
- assist the chairman of the Compensation Committee in his evaluation of our CEO's performance; and
- perform such other functions as the Board may direct.

### Director Attendance at Meetings

Our Board held five meetings in the 2018 fiscal year. As stated in our Corporate Governance Guidelines, we expect directors to attend Board meetings and meetings of the Board committees on which they serve. In the 2018 fiscal year, each of our directors attended 75% or more of the total number of Board meetings and meetings of the Board committees on which they served.

We encourage each member of our Board to attend the annual meeting, and all of our directors in office at the time attended the 2018 annual meeting.

### Board's Role in Risk Oversight and Assessment

Our employees, managers and officers conduct our business under the direction of our CEO and the oversight of our Board to enhance our long-term value for our stockholders. The core responsibility of our Board is to exercise its fiduciary duty to act in the best interests of our Company and our stockholders. In discharging this obligation, our Board and committees perform a number of specific functions, including risk assessment, review and oversight. While management is responsible for the day-to-day management of risk, our Board is responsible for oversight of our risk management programs, ensuring that an appropriate culture of risk management exists within the Company and assisting management in addressing specific risks, such as strategic risks, financial risks, regulatory risks and operational risks.

Our Board's objective is to have systems and processes in place that bring material risks facing our Company to the Board's attention and permit the Board to effectively oversee the management of these risks. As reflected in our Code of Business Conduct and Ethics, our Board seeks to establish a "tone at the top" communicating our Board's strong commitment to ethical behavior and compliance with the law. In furtherance of these goals, our Board regularly includes agenda items at its meetings relating to its risk oversight obligations and meets with various members of management on a range of topics, including corporate governance and regulatory obligations, disaster recovery and business continuity planning, succession planning, safety and risk management, insurance, and operations. Our Board also sets and regularly reviews quantitative and qualitative authority levels for management. Further, our Board oversees the strategic direction of our Company, and in doing so considers the potential rewards and risks of our Company's business opportunities and challenges, and monitors the development and management of risks that may impact our strategic goals.

While risk oversight is a full Board responsibility, we also empower our various Board committees to address risk oversight in their respective areas and regularly report on their activities to our full Board. For example, our Strategic Planning Committee routinely reviews with management external and internal risks that may impact our strategic goals and our Compensation Committee assesses risks related to compensation. Our Audit Committee regularly reviews our disclosure controls and procedures and internal control over financial reporting, our Code of Business Conduct and Ethics, and other legal and regulatory matters affecting our Company, including compliance policies. Our Audit Committee also discusses our major financial risk exposures and steps management has taken to monitor and control such exposures, including our risk assessment and risk management policies. The Audit Committee also assists our Board in reviewing our cybersecurity risk with management. Our director of internal audit reports to and regularly meets in executive session with our Audit Committee.

### Compensation-Related Risk

Our Compensation Committee assesses risks associated with our compensation policies and practices. We do not believe that our compensation policies or practices are reasonably likely to have a material adverse effect on our Company. While risk taking is a necessary part of growing a business, our compensation philosophy is focused on aligning compensation with the long-term interests of our stockholders as opposed to rewarding short-term management decisions that could pose long-term risks. For example:

our annual cash award programs are capped for all members of senior management, including our Named Executive Officers (NEOs);

our Share Ownership Guidelines require our NEOs to hold Company stock;

we maintain a clawback policy for executive compensation;

our Insider Trading Policy prohibits hedging, pledging or monetization transactions involving our stock;

our long-term equity-based compensation cliff vests over a period of three to five years for all management recipients; and

beginning with 2016 grants, restricted stock awards contain performance-based criteria in addition to the time based vesting criteria discussed above.

Moreover, equity awards are granted annually, which means executives always have unvested awards that could significantly decrease in value if our business is not managed for the long term.

Access to Management and Employees

Directors have full and unrestricted access to our management and employees. Additionally, key members of management attend Board meetings from time to time to present information about the results, plans and operations within their areas of responsibility.

Communications with the Board

Stockholders and other interested parties may communicate with the members of our Board by mail addressed to the full Board, a specific member of the Board or to a particular committee of the Board at 109 Northpark Boulevard, Covington, Louisiana 70433. Communications are distributed to the Board, or to a specific member of the Board, as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the Board has requested that certain items that are unrelated to the duties and responsibilities of the Board be excluded, such as junk mail, mass mailings, resumes and other forms of job inquiries and business solicitations or advertisements. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable may be excluded.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our employees, officers (including our principal executive officer, principal financial officer and principal accounting officer) and directors. Our Code of Business Conduct and Ethics is posted on our website at [www.poolcorp.com](http://www.poolcorp.com) and can also be obtained free of charge by sending a request to our corporate secretary at 109 Northpark Boulevard, Covington, Louisiana 70433. As permitted by SEC and Nasdaq rules, we intend to satisfy the disclosure requirement regarding an amendment to, or a waiver from, a provision of our Code of Business Conduct and Ethics by posting such information on our website.

Board Committees

Board committees work on key issues in greater detail than would be possible at full Board meetings. The Board has appointed four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Strategic Planning Committee. Each of these Board committees is comprised entirely of independent directors and operates under a written charter, which sets forth the committees' authorities and responsibilities. The charters are posted on our website at [www.poolcorp.com](http://www.poolcorp.com) in the "Investors" section under the "Governance" link.

The following table lists our 2018 Board committees, the chairs of each committee, the directors who served on them following the 2018 annual meeting and the number of committee meetings held in 2018.

	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Strategic Planning Committee
Andrew W. Code		ü		
Timothy M. Graven	Chair		ü	
Harlan F. Seymour		Chair	ü	Chair
Robert C. Sledd	ü	ü		
John E. Stokely	ü		Chair	
David G. Whalen	ü			ü
Meetings held in 2018	8	5	4	1

The following sections briefly describe our Board committees and outline certain of their principal functions. These descriptions are qualified in their entirety by the full text of the Board committee charters.

Audit Committee

The Audit Committee assists the Board in monitoring:

- management's process for ensuring the integrity of our financial statements;
- the independent registered public accounting firm's qualifications and independence;

the performance of our internal audit function and independent registered public accounting firm; information technology security and risk, including cyber security; and management's process for ensuring our compliance with legal and regulatory requirements.

The Board has determined that each Audit Committee member meets the requirements for independence, experience and expertise, including financial literacy, as set forth in the applicable SEC and Nasdaq rules. The Board has further determined that Messrs. Graven, Sledd, Stokely and Whalen are “audit committee financial experts” as defined in the SEC rules.

#### Compensation Committee

Our Compensation Committee is responsible for oversight of our executive compensation and makes recommendations to our entire Board with respect to director compensation, cash award plans for senior management and equity-based plans for all employees. All members of the Compensation Committee are independent based on the applicable definition of independence for compensation committee members in Nasdaq listing standards and Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act). The Compensation Committee’s specific responsibilities and duties are outlined in detail in our Compensation Committee Charter. The Compensation Committee has full and final authority in connection with the administration of our equity compensation plans and, in its sole discretion, may grant equity-based awards under such plans.

The Compensation Committee has the authority to engage the services of outside advisers, experts and others. Specifically, the Compensation Committee may periodically retain an independent compensation consultant to review the overall structure and design of our compensation programs and their suitability in meeting our compensation objectives. In addition, when the Compensation Committee considers changes to specific compensation programs, they may use an outside consultant to review the design and suitability of that specific program.

In 2015, in an effort to continue to ensure that our executive compensation properly aligns with the interests of our stockholders and remains comparable with the market, the Compensation Committee engaged Lyons, Benenson & Company Inc. (Lyons), a compensation consultant, to review our 2016 executive compensation program and peer group composition. Also in 2015, the Compensation Committee engaged Lyons to conduct a review of non-employee director and chairman compensation. Lyons reported directly to the Compensation Committee chairman and was advised by the Compensation Committee to compare our director compensation program against our peer group. As required by SEC and Nasdaq rules, the Compensation Committee assessed the independence of Lyons, determined that Lyons is independent from management and concluded that Lyons’ work did not raise any conflict of interest. The Compensation Committee has not retained Lyons since 2015 because we have not made material changes to our compensation structures since then.

For more information regarding the processes used by the Compensation Committee to determine executive compensation, see the section titled “Compensation Discussion and Analysis” below.

#### Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee’s primary purpose is to provide oversight on a broad range of issues surrounding the composition of the Board, including:

- identifying qualified individuals to be considered for nomination as a director;
- recommending to the Board director nominees for the next annual meeting of stockholders;
- assisting the Board in committee member selection;
- evaluating the overall effectiveness of the Board and committees of the Board; and
- reviewing and considering corporate governance practices.

The Nominating and Corporate Governance Committee has the authority to recommend to the Board candidates for Board membership. Stockholders may also make recommendations for director nominations by sending a letter to the Nominating and Corporate Governance Committee in care of our Corporate Secretary at 109 Northpark Boulevard,

Covington, Louisiana 70433. Stockholders making nominations must also comply with the notice procedures set forth in our Bylaws. The Nominating and Corporate Governance Committee evaluates such candidates in the same manner as other candidates.

#### Strategic Planning Committee

The Strategic Planning Committee assists senior management in the analysis and preparation of our strategic plan, and then reports and makes recommendations regarding our strategic plan to the Board. Our strategic planning process involves defining the Company's strategy and making decisions on allocating resources, including capital and people, to pursue this strategy. Our strategic plan, which we update and review with the Board periodically, incorporates specific goals for growth and business development over the next three to five years.

## Compensation Committee Interlocks and Insider Participation

During the last fiscal year, Messrs. Seymour, Code and Sledd served on the Compensation Committee and none of them served at any time as officers or employees of the Company or any of its subsidiaries. None of our executive officers served in the last fiscal year as a member of the board of directors or compensation committee of another entity, one of whose executive officers served as a member of our Board or Compensation Committee.

## Information about our Executive Officers

The following table presents, as of March 14, 2019, certain information about our current executive officers. We expect that each of these officers will remain in his or her current position following the Annual Meeting.

Name and age	Positions and recent business experience
	President and Chief Executive Officer
	§ President and Chief Executive Officer since January 2019
	§ Chief Operating Officer from August 2017 to January 2019
Peter D. Arvan (53)	§ Executive Vice President from January 2017 to January 2019
	§ Chief Executive Officer of Roofing Supply Group from 2013 to 2015
	§ President of SABIC Polymershapes from 2004 to 2013
	Group Vice President
	§ Group Vice President since 2007
A. David Cook (63)	§ Vice President from 1997 to 2007
	§ Director of National Sales Development of our principal operating subsidiary from 1993 to 1997
	Senior Vice President, Chief Financial Officer
	§ Senior Vice President, Chief Financial Officer since 2015
	§ Vice President, Chief Financial Officer from 2004 to 2015
Mark W. Joslin (59)	§ Vice President of Corporate Development of Eastman Chemical Company (Eastman) from 2002 to 2004
	§ Vice President and Controller of Eastman from 1999 to 2002
	Group Vice President
	§ Group Vice President since 2007
Kenneth G. St. Romain (56)	§ General Manager from 2001 to 2007
	§ Regional Manager from 1987 to 2001
	Vice President, Corporate Secretary, Chief Legal Officer
	§ Vice President since 2018
Jennifer M. Neil (45)	§ Corporate Secretary since 2005
	§ Chief Legal Officer since 2003
	Vice President, Corporate Controller, Chief Accounting Officer
	§ Vice President since February 2019
Melanie M. Housey Hart (46)	§ Chief Accounting Officer since 2008
	§ Corporate Controller since 2007
	§ Senior Director of Corporate Accounting from 2006 to 2007
	§ Senior Manager at Ernst & Young LLP from 2001 to 2006





## PRINCIPAL STOCKHOLDERS

In accordance with Rule 13d-3 under the Exchange Act, the table below sets forth, as of March 14, 2019, certain information regarding beneficial ownership of Common Stock by (i) each of our directors, (ii) each of the executive officers listed in the Summary Compensation Table included in “Executive Compensation” (Named Executive Officers), (iii) all of our directors and executive officers as a group and (iv) each stockholder known by us to be the beneficial owner of more than 5% of our outstanding Common Stock. Based on information furnished to us by such stockholders, unless otherwise indicated, all shares indicated as beneficially owned are held with sole voting and investment power. Our executive officers and directors are prohibited from pledging the Company’s Common Stock as collateral for a loan, including through the use of traditional margin accounts with a broker.

Name of Beneficial Owner	Number of Shares Beneficially Owned <sup>(1)</sup>	Percentage of Outstanding Common Stock
Directors		
Andrew W. Code	25,832	<sup>(2)</sup> *
Timothy M. Graven	4,226	*
Debra S. Oler	—	*
Manuel J. Perez de la Mesa	1,605,643	<sup>(3)</sup> 4%
Harlan F. Seymour	16,861	*
Robert C. Sledd	26,176	*
John E. Stokely	21,623	*
David G. Whalen	4,296	*
Named Executive Officers <sup>(4)</sup>		
Peter D. Arvan	38,433	*
A. David Cook	59,392	*
Mark W. Joslin	127,356	*
Kenneth G. St. Romain	303,336	<sup>(5)</sup> *
All executive officers and directors as a group (14 persons)	2,284,445	<sup>(6)</sup> 6%
Greater than 5% Beneficial Owners		
BlackRock, Inc.	3,535,555	<sup>(7)</sup> 9%
JPMorgan Chase & Co	2,023,366	<sup>(8)</sup> 5%
Neuberger Berman Group LLC	2,160,251	<sup>(9)</sup> 5%
The Vanguard Group, Inc.	3,462,928	<sup>(10)</sup> 8%
T. Rowe Price Associates, Inc.	1,846,373	<sup>(11)</sup> 5%

\* Less than one percent.

<sup>(1)</sup> Includes shares of unvested restricted stock for executive officers and directors as these shares convey the right to vote and receive dividends.

<sup>(2)</sup> Includes 14,965 shares held by a family trust for which Mr. Code serves as co-trustee and 8,000 held directly by a charitable foundation of which Mr. Code is a director and president (although neither Mr. Code nor any members of his immediate family have a pecuniary interest in such shares).

<sup>(3)</sup> Includes (i) 689,340 shares that Mr. Perez de la Mesa has the right to acquire upon the exercise of presently exercisable options or the exercise of options which will become exercisable on or before May 13, 2019; (ii) 5,000 shares beneficially owned by Mr. Perez de la Mesa’s wife; (iii) 212,230 shares held by a trust for which Mr. Perez de la Mesa serves as a trustee; and (iv) 640,032 shares held in three irrevocable trusts for the benefit of Mr. Perez de la Mesa’s adult children.

- (4) Information regarding shares beneficially owned by Mr. Perez de la Mesa, who was an NEO prior to his retirement effective December 31, 2018, appears above under the caption "Directors."

- (5) Includes 211,432 shares that Mr. St. Romain has the right to acquire upon the exercise of presently exercisable options or the exercise of options which will become exercisable on or before May 13, 2019.  
Includes 932,218 shares that such persons have the right to acquire upon the exercise of presently exercisable options or the exercise of options which will become exercisable on or before May 13, 2019.
- (6) Also includes 867,227 shares held in family trusts, 8,000 shares held in a charitable foundation and 5,000 shares held by family members of such persons.  
Based on the holder's Schedule 13G/A filed with the SEC on February 6, 2019. BlackRock, Inc. has sole voting
- (7) power over 3,385,750 shares and sole dispositive power with respect to all shares. The business address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055.  
Based on the holder's Schedule 13G filed with the SEC on January 11, 2019. JPMorgan Chase & Co has sole
- (8) voting power over 1,869,807 shares, shared voting power over 2,810 shares, sole dispositive power over 2,018,918 shares and shared dispositive power over 2,879 shares. The business address of JPMorgan Chase & Co is 270 Park Avenue, New York, New York 10017.  
Based on the holder's Schedule 13G/A filed with the SEC on February 13, 2019. Neuberger Berman Group LLC (Neuberger) has shared voting power with respect to 2,141,416 shares with Neuberger Berman Investment
- (9) Advisers LLC and shared dispositive power with respect to all shares. Neuberger Berman Equity Funds has shared voting power and shared dispositive power over 1,493,349 shares. The business address of Neuberger is 1290 Avenue of the Americas, New York, New York 10104.  
Based on the holder's Schedule 13G/A filed with the SEC on February 12, 2019. The Vanguard Group, Inc. (Vanguard) has sole voting power over 21,952 shares, shared voting power over 5,275 shares, sole dispositive
- (10) power over 3,439,721 shares and shared dispositive power over 23,207 shares. The business address of Vanguard is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.  
Based on the holder's Schedule 13G/A filed with the SEC on February 14, 2019. T. Rowe Price Associates, Inc. (T. Rowe Price) has sole voting power over 528,639 shares and sole dispositive power over all shares. The
- (11) business address of T. Rowe Price is 100 E. Pratt Street, Baltimore, Maryland 21202.

## EQUITY COMPENSATION PLAN INFORMATION

All of our existing equity compensation plans were approved by our stockholders. The following table provides information about shares of Common Stock that may be issued under our existing equity compensation plans as of December 31, 2018.

Plan description	Number of shares of Common Stock to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of shares of Common Stock remaining available for future issuance under equity compensation plans
Equity Compensation Plans Approved by Stockholders:			
2007 Long-Term Incentive Plan (2007 LTIP)	1,879,151	\$48.19	4,453,450 <sup>(1)</sup>
Employee Stock Purchase Plan	—	—	100,463
Equity Compensation Plans Not Approved by Stockholders			
Total	1,879,151	\$48.19	4,553,913

<sup>(1)</sup> Includes 1,108,023 shares that may be issued as restricted stock.

For a complete description of our equity compensation plans, see Note 6 in our 2018 Annual Report on Form 10-K.

## COMPENSATION DISCUSSION AND ANALYSIS

This compensation discussion and analysis section (the CD&A) describes and analyzes our executive compensation philosophy and program in the context of the compensation paid during the last fiscal year to our named executive officers (collectively, our Named Executive Officers or NEOs). This list includes our chief executive officer (CEO), our chief financial officer (CFO) and our next three most highly-compensated executive officers as of December 31, 2018.

For fiscal 2018, our Named Executive Officers were:

Manuel J. Perez de la Mesa, President, Chief Executive Officer and Director;

Mark W. Joslin, Senior Vice President and Chief Financial Officer;

Peter D. Arvan, Executive Vice President and Chief Operating Officer;

A. David Cook, Group Vice President; and

Kenneth G. St. Romain, Group Vice President.

Mr. Perez de la Mesa retired from his position as president and CEO effective December 31, 2018; the Board appointed Mr. Arvan as president and CEO effective January 1, 2019.

In this CD&A, we first provide an Executive Summary of our actions and highlights from 2018. We next explain the principles that guide our Compensation Committee's executive compensation decisions, our Compensation Philosophy and Objectives. We then describe the Compensation Committee's Process of Setting Compensation, including any supporting role played by the NEOs themselves. Finally, we discuss in detail each of the Components of Compensation, which includes, for each component, a design overview as well as the actual results yielded for each NEO in 2018.

Executive Summary

Our Company is the world's largest wholesale distributor of swimming pool supplies, equipment and related leisure products and is one of the top three distributors of irrigation and landscape products in the United States