

SP Holding CORP  
Form S-8  
May 21, 2007

As filed with the Securities and Exchange Commission on May 21, 2007.

Registration No. 333-\_\_\_\_\_

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

**FORM S-8  
REGISTRATION STATEMENT  
Under  
the Securities Act of 1933**

**ORGANIC TO GO FOOD CORPORATION**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**58-2044900**  
(IRS Employee Identification No.)

**3317 Third Avenue South  
Seattle, Washington 98134**  
(Address of principal executive offices) (Zip code)

**2007 EQUITY PARTICIPATION PLAN OF ORGANIC TO GO FOOD CORPORATION**  
(Full title of the plan)

**Jason Brown, Chief Executive Officer**  
**3317 Third Avenue South**  
**Seattle, Washington 98134**  
**(206) 838-4670**  
(Name, address and telephone number of agent for service)

*Copies to:*  
**Gerald Chizever, Esq.**  
**Lawrence Venick, Esq.**  
**Loeb & Loeb LLP**  
**10100 Santa Monica Blvd., Suite 2200**  
**Los Angeles, CA 90067**  
**(310) 282-2000**

<b>Calculation of Registration Fee</b>				
Title of securities to be registered	Amount to be registered (1)	Proposed maximum	Proposed maximum	Amount of registration fee

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		offering price per share (2)	aggregate offering price(2)	
Common stock, \$.001 par value per share	3,600,000	\$2.23	\$8,028,000	\$246.46
(1)	In the event of a stock split, stock dividend, or similar transaction involving the registrant's Common Stock, the number of shares registered hereby shall automatically be increased to cover the additional shares in accordance with Rule 416(a) under the Securities Act of 1933, as amended (the "Securities Act").			
(2)	Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(h) under the Securities Act, and represents the average closing bid and ask prices of the Common Stock of the registrant as reported on the OTC Bulletin Board on May 16, 2007 as to the 3,600,000 shares available for future grant under the plan.			

## PART I

The information called for in Part I of Form S-8 is not being filed with or included in this Form S-8 (by incorporation by reference or otherwise) in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC").

## PART II

### **Item 3. Incorporation of Documents by Reference.**

The following documents filed with the SEC by Organic To Go Food Corporation (the "Company"), are incorporated as of their respective dates in this Registration Statement by reference:

1. The Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2006, filed with the SEC on April 2, 2007;
2. The Company's Quarterly Report on Form 10-QSB for the period ended March 31, 2007, filed with the SEC on May 16, 2007;
3. The Company's Current Reports on Form 8-K, filed with the SEC on January 4, 2007, January 17, 2007, February 13, 2007, February 28, 2007, March 9, 2007, May 11, 2007 and May 21, 2007; and
4. The description of the Company's securities contained in the Company's Registration Statement on Form 8-A under Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act"), filed with the SEC on July 19, 1996, including any amendment or report filed for the purpose of updating such description.

All documents filed by the Company pursuant to Section 13(a), 13(c) 14 and 15(d) of the Exchange Act, after the date of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold are incorporated by reference in this Registration Statement and are part hereof from the date of filing such documents. A report on Form 8-K furnished to the SEC shall not be incorporated by reference into this Registration Statement. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

### **Item 4. Description of Securities.**

Not applicable.

### **Item 5. Interests of Named Experts and Counsel.**

Not applicable.

### **Item 6. Indemnification of Directors and Officers.**

The Company's Restated Certificate of Incorporation and Amended and Restated Bylaws provide that the Company may indemnify an officer or director who is made a party to any proceeding, because of his position as such, to the fullest extent authorized by Delaware General Corporation Law, as the same exists or may hereafter be amended. The

Company is subject to Section 145 of the Delaware General Corporation Law, set forth below.

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“Section 145. Indemnification of officers, directors, employees and agents; insurance.

“(a) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person’s conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person’s conduct was unlawful.

“(b) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys’ fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

“(c) To the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this section, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection therewith.

“(d) Any indemnification under subsections (a) and (b) of this section (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsections (a) and (b) of this section. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

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“(e) Expenses (including attorneys’ fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in this section. Such expenses (including attorneys’ fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

“(f) The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person’s official capacity and as to action in another capacity while holding such office.

“(g) A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person’s status as such, whether or not the corporation would have the power to indemnify such person against such liability under this section.

“(h) For purposes of this section, references to (the corporation) shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this section with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

“(i) For purposes of this section, references to (other enterprises) shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to “serving at the request of the corporation” shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the corporation” as referred to in this section.

“(j) The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

“(k) The Court of Chancery is hereby vested with exclusive jurisdiction to hear and determine all actions for advancement of expenses or indemnification brought under this section or under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise. The Court of Chancery may summarily determine a corporation’s obligation to advance expenses (including attorneys’ fees).”

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To the extent that indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Company pursuant to the foregoing provisions, the Company has been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

**Item 7. Exemption from Registration Claimed.**

Not applicable.

**Item 8. Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
5.1	Opinion of Loeb & Loeb LLP*
10.1	2007 Equity Participation Plan of Organic To Go Food Corporation (1)
23.1	Consent of Loeb & Loeb LLP (included in Exhibit 5.1)*
23.2	Consent of Rose, Snyder & Jacobs*
24.1	Power of Attorney (included on the signature page to this Registration Statement).
*	Filed herewith.
(1)	Filed as an exhibit to the Company's Current Report on Form 8-K on May 21, 2007 and incorporated herein by reference.

**Item 9. Undertakings.**

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement to include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in

connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on May 21, 2007.

ORGANIC TO GO FOOD CORPORATION

By: /s/ Jason Brown

\_\_\_\_\_  
Jason Brown  
Chief Executive Officer

**POWER OF ATTORNEY**

Know by all persons by these presents, that each person whose signature appears below constitutes and appoints Jason Brown his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the SEC, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming that said attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

In accordance with the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jason Brown Jason Brown	Chief Executive Officer and Chairman (Principal Executive Officer)	May 21, 2007
/s/ Paul Campbell Paul Campbell	Chief Financial Officer (Principal Accounting and Financial Officer)	May 21, 2007
/s/ Dave Smith Dave Smith	Director	May 21, 2007
/s/ Peter Meehan Peter Meehan	Director	May 21, 2007
/s/ Roy Bingham Roy Bingham	Director	May 21, 2007
/s/ Douglas Lioon Douglas Lioon	Director	May 21, 2007
/s/ S.M. "Hass" Hassan S.M. "Hass" Hassan	Director	May 21, 2007

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**INDEX TO EXHIBITS**

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December 31, 2018

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January 1, 2019

December 31, 2019

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2/28/2022

2/28/2023

2/28/2024

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<sup>6</sup> Mr. Sharps received restricted stock awards and RSU awards through September 2016. The following table represents the vesting schedules of the outstanding stock awards at December 31, 2018.

Footnote	Remaining Percentage Vesting		Vest Dates		
	6a	100	%	12/10/2019	
6b	50	%	12/10/2019	12/10/2020	
6c	33	%	12/10/2019	12/10/2020	12/10/2021

**2018 OPTION EXERCISES AND STOCK VESTED TABLE**

The following table shows aggregate stock option exercises and restricted stock awards vesting in 2018 and the related value realized on those events for each of the NEOs that experienced such events in 2018.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise <sup>1, 5</sup>	Value Realized on Exercise <sup>2</sup>	Number of Shares Acquired on Vesting <sup>3, 5</sup>	Value Realized on Vesting <sup>3</sup>
William J. Stromberg	110,600	\$ 6,164,462	11,777	\$ 1,088,784
Kenneth V. Moreland	11,227	\$ 376,295	3,495	\$ 323,113
Edward C. Bernard	50,569	\$ 2,681,607	10,230	\$ 945,764
Robert W. Sharps	63,449	\$ 3,452,853	58,369	\$ 5,396,214
Christopher D. Alderson	82,560	\$ 5,379,891	12,090	\$ 1,117,721

<sup>1</sup> Represents the total number of shares underlying the exercised stock options.

<sup>2</sup> Computed using the difference between the market price of Price Group's common stock on the date of exercise and the exercise price, multiplied by the number of shares acquired.

<sup>3</sup> Reflects the number of shares underlying the performance-based RSUs earned and vested. The value realized on vesting is computed using the closing market price per share of Price Group's common stock on the vest date (December 10, 2018) multiplied by the number of RSUs vesting. The following table shows the aggregate RSUs by NEOs listed in the table above by date of award:

Date of Award	Performance Period Completion Date	Number of Shares Acquired on Vesting	Market Price on Vest Date	Value Realized on Vesting
2/21/2013	12/31/2013	4,110	\$ 92.45	\$ 379,970
9/10/2013	6/30/2014	3,720	\$ 92.45	\$ 343,914
2/19/2014	12/31/2014	3,645	\$ 92.45	\$ 336,980
9/9/2014	6/30/2015	3,495	\$ 92.45	\$ 323,113
2/19/2015	12/31/2015	3,495	\$ 92.45	\$ 323,113

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9/10/2015	6/30/2016	3,495	\$	92.45	\$	323,113
2/17/2016	12/31/2016	36,202	\$	92.45	\$	3,346,875
9/8/2016	6/30/2017	7,896	\$	92.45	\$	729,985

Mr. Sharps was awarded restricted shares and RSUs until September 2016. The table below shows, by date of the award, the number of restricted stock awards vested and value realized that was computed using the closing market price per share of Price Group's common stock on the vest date multiplied by the number of restricted stock awards vesting.

<b>Date of Award</b>	<b>Vesting Date</b>	<b>Number of Shares Acquired on Vesting</b>	<b>Market Price on Vest Date</b>	<b>Value Realized on Vesting</b>
2/21/2013	12/10/2018	1,200	\$ 92.45	\$ 110,940
9/10/2013	12/10/2018	15,081	\$ 92.45	\$ 1,394,238
2/19/2014	12/10/2018	1,200	\$ 92.45	\$ 110,940
9/9/2014	12/10/2018	1,200	\$ 92.45	\$ 110,940
2/19/2015	12/10/2018	1,800	\$ 92.45	\$ 166,410
9/10/2015	12/10/2018	1,800	\$ 92.45	\$ 166,410
2/17/2016	12/10/2018	3,772	\$ 92.45	\$ 348,721
9/8/2016	12/10/2018	3,850	\$ 92.45	\$ 355,933

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The number of shares actually acquired was less than the number presented in the tables above as a result of tendering shares for payment of the exercise price and the withholding of shares to pay taxes. The total net shares received by each NEO listed in the table is as follows:

Name	Net Shares Acquired on Exercise	Net Shares Acquired on Vesting
William J. Stromberg	29,024	6,126
Kenneth V. Moreland	9,290	1,885
Edward C. Bernard	11,576	5,561
Robert W. Sharps	37,259	30,375
Christopher D. Alderson	51,278	6,409

**2018 NONQUALIFIED DEFERRED COMPENSATION TABLE**

The amounts in the following table represent each NEO's account activity under the Supplemental Savings Plan, which was effective on January 1, 2015.

Name	Executive's Contributions in Last FY <sup>1</sup>	Registrants Contributions in Last FY	Aggregate Earnings in Last FY <sup>2</sup>	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE <sup>3</sup>
William J. Stromberg	\$ 3,200,000	\$ —	\$ 175,924	\$ —	\$ 9,441,518
Kenneth V. Moreland	\$ —	\$ —	\$ (56,245 )	\$ —	\$ 1,115,531
Edward C. Bernard	\$ 3,000,000	\$ —	\$ 98,983	\$ —	\$ 9,799,461
Robert W. Sharps	\$ 4,100,000	\$ —	\$ (166,249 )	\$ —	\$ 11,763,269
Christopher D. Alderson <sup>4</sup>	\$ 5,046,200	\$ —	\$ (961,585 )	\$ —	\$ 7,483,482

These amounts represent a portion of the bonus awarded to each NEO under the 2018 Annual Incentive Compensation Plan and are reported as Non-Equity Incentive Plan Compensation in the Summary Compensation Table. Under the Supplemental Savings Plan, certain senior officers, including the NEOs, have the opportunity to defer receipt of up to 100% of their cash incentive compensation earned for a respective calendar year during which services are provided.

Each participant has the ability to allocate their account balance across a number of Price funds and the flexibility to rebalance their account as often as they would like. The amounts deferred are adjusted daily based on the investments chosen by the participant and, therefore, are not above market or preferential. As such, the earnings reported in this column are not included in the Summary Compensation Table.

These amounts represent the aggregate balances in each NEO's account at December 31, 2018. A portion or all of each NEO's 2018 deferral election was not contributed to their account until 2019, as the bonus awarded under the 2018 Annual Incentive Compensation Plan was not certified by the Compensation Committee until then.

Additionally, the aggregate balance for Messrs. Stromberg, Moreland, Bernard, Sharps, and Alderson include amounts previously reported as Non-Equity Incentive Plan Compensation in a prior year Summary Compensation Table.

Mr. Alderson elected to defer £4,000,000 of his annual bonus in 2018. The Company converted this deferral into<sup>4</sup> U.S. dollars based on the exchange rate of 1.26155, which is the rate on the day all employee bonuses were paid.

**POTENTIAL PAYMENTS ON TERMINATION OR CHANGE IN CONTROL**

All agreements for stock options and stock awards granted to associates from our equity incentive plans include provisions that may result in vesting acceleration of outstanding equity awards in connection with a change in control of Price Group or upon the grantee's death or termination of employment due to total disability. See the "Post-Employment Payments" section of the Compensation Discussion and Analysis for more details on these vesting acceleration provisions. Assuming that an event caused the vesting of all outstanding unvested stock options and stock awards on December 31, 2018, to accelerate, the amount that would be realized upon the exercise of these stock options and vesting of restricted stock awards and units held by our NEOs are shown in the table below.

In addition, all agreements for stock options and stock awards granted on and after February 23, 2012, and through December 5, 2017, included a provision that allows for continued vesting for a period of 36 months from the grantee's date of termination if certain age and service criteria or, for certain grantees outside the United States, a specified service criteria, are met. Agreements for stock awards granted on or after December 6, 2017, and through December 10, 2018, included a provision that allows for continued vesting for a period of 60 months from the grantee's date of termination so long as the same criteria described above are met. Agreements for awards granted to associates on or after December 11, 2018, include a provision that allows for continued vesting following the grantee's date of termination for a period of 24, 36, or 60 months based on one of three different combinations of age and service requirements. As of December 31, 2018, Messrs. Bernard and

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Moreland have satisfied the age and service criteria that allows for continued vesting of all awards listed in the Outstanding Equity Awards Table. As of December 31, 2018, Mr. Stromberg has satisfied the age and service criteria that allows for his December 2018 RSU award to continue vesting for 36 months if he was to separate from the Company. The table below shows the value as of December 31, 2018, for those awards held by Messrs. Stromberg, Moreland, and Bernard that will continue to vest following termination of employment according to the above described provisions.

The amounts in the table below are calculated using the closing price of our common stock on December 31, 2018, for outstanding restricted stock awards and units and the difference between the closing price of our common stock on December 31, 2018, and the exercise price of each unexercisable stock option.

<b>Name</b>	<b>Change in Control or Death/Disability</b>	<b>Voluntary Termination or Termination Without Cause</b>
William J. Stromberg	\$ 10,031,968	\$ 2,678,388
Céline S. Dufétel	\$ 1,612,000	\$ —
Kenneth V. Moreland	\$ 557,982	\$ 557,982
Edward C. Bernard	\$ 5,016,310	\$ 5,016,310
Robert W. Sharps	\$ 18,272,829	\$ —
Christopher D. Alderson	\$ 6,670,876	\$ —

**CHIEF EXECUTIVE OFFICER PAY RATIO**

Our CEO pay ratio is calculated in accordance with Item 402(u) of Regulation S-K. We identified the median employee by examining the 2018 salary and annual cash bonus paid to all associates, excluding our CEO, who were employed on December 31, 2018. All active associates were included in the sample. This includes associates working on a full-time, part-time, or interim basis. We did not make any adjustments or estimates with respect to salary, nor did we annualize the compensation for associates who began employment after the start of the fiscal year. We applied the local currency to U.S. dollar exchange spot rate as of December 31, 2018, to the compensation paid to our non-U.S. associates to facilitate comparison of all associates in U.S. dollars. Upon identifying the median associate, total compensation was calculated for this individual using the same methodology we use for our NEOs as set forth in the 2018 Summary Compensation Table.

For 2018, Mr. Stromberg had an annual total compensation of \$13,086,753 as reflected in the Summary Compensation Table. Our median associate's 2018 annual total compensation was \$103,773. Thus, Mr. Stromberg's 2018 annual total compensation was approximately 126 times that of our median associate.

**Equity Compensation Plan Information**

The following table sets forth information regarding outstanding stock options and RSUs and shares reserved for future issuance under our equity compensation plans as of December 31, 2018. None of the plans have outstanding warrants or rights other than stock options and RSUs. All plans have been approved by our stockholders.

<b>Plan Category</b>	<b>Number of Securities to Be Issued Upon Exercise of Outstanding Options and Settlement of Restricted Stock Units (a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by stockholders	17,951,952 <sup>1</sup>	\$ 69.05 <sup>1</sup>	22,365,129 <sup>2</sup>
Equity compensation plans not approved by stockholders	—	—	—
<b>Total</b>	<b>17,951,952</b>	<b>\$ 69.05</b>	<b>22,365,129</b>

<sup>1</sup> Includes 6,651,559 shares that may be issued upon settlement of outstanding RSUs. The weighted-average exercise price pertains only to the 11,300,393 outstanding stock options.

<sup>2</sup> Includes shares that may be issued under our 2017 Director Plan and 2012 Incentive Plan and 2,340,343 shares that may be issued under our Employee Stock Purchase Plan. No shares have been issued under the Employee Stock Purchase Plan since its inception; all plan shares have been purchased in the open market. The number of shares available for future issuance under the

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2012 Incentive Plan will increase under the terms of the plan as a result of all common stock repurchases that we make from proceeds generated by stock option exercises that occur after the inception of the 2012 Incentive Plan. The 2012 Incentive Plan allows for the grant of stock options, stock appreciation rights, and full-value awards.

### **Proposal 2**

#### **Advisory Vote on the Compensation Paid to Our Named Executive Officers**

## **INTRODUCTION**

In accordance with the requirements of Section 14A of the Exchange Act and the related rules of the SEC, our stockholders have the opportunity to cast an annual advisory vote to approve the compensation of our NEOs as disclosed pursuant to the SEC's compensation disclosure rules, which disclosure includes the Compensation Discussion and Analysis, the compensation tables, and the narrative disclosures that accompany the compensation tables (a "say-on-pay" vote).

Our NEO compensation is straight-forward, goal-oriented, long-term focused, transparent, and aligned with the interests of our stockholders. Our incentive compensation programs are designed to motivate and reward performance, with a focus on rewarding the intermediate- and long-term achievements of our NEOs, as measured by a number of factors, including (i) the financial performance and financial stability of Price Group, (ii) the relative investment performance of our mutual funds and other investment portfolios, and (iii) the performance of our NEOs against the corporate and individual goals established at the beginning of the year. Our executive compensation programs are also designed to reward our NEOs for other important contributions to our success, including corporate integrity, service quality, customer loyalty, risk management, corporate reputation, and the quality of our team of professionals and collaboration within that team. Our equity awards create a strong alignment of the financial interests of our NEOs directly to the long-term performance of our Company, as measured by our stock price.

NEO compensation in 2018 was aligned with our financial and operational performance for 2018. The structure of the compensation for our CEO and other NEOs reflects our performance-based compensation philosophy, which ties a significant portion of their pay to the success of the Company and to their individual performance goals.

We urge you to read the Compensation Discussion and Analysis section of this proxy statement for additional details on our executive compensation policies and practices, including our compensation philosophy, 2018 objectives, and the 2018 compensation decisions for our NEOs. We believe that, viewed as a whole, our compensation practices and policies are appropriate and fair to both the Company and its executives and to our stockholders.

We value the feedback provided by our stockholders. At the 2018 annual meeting of stockholders, nearly 96% of votes cast supported our executive compensation program. We have discussions with certain of our stockholders regarding various corporate governance topics, including executive compensation, and take into account the views of stockholders regarding the design and effectiveness of our executive compensation program.

## **PROPOSAL**

We are asking you to vote on the adoption of the following resolution:

**BE IT RESOLVED by the stockholders of Price Group, that the stockholders approve the compensation of the Company's Named Executive Officers as disclosed pursuant to Item 402 of Regulation S-K in the Company's proxy statement for the 2019 Annual Meeting of Stockholders.**

As an advisory vote, this Proposal is non-binding. Although the vote is non-binding, the Board of Directors and the Compensation Committee value the opinions of our stockholders and will consider the outcome of the vote when designing and administering our compensation programs and when making future compensation decisions for our NEOs.

**RECOMMENDATION OF THE BOARD OF DIRECTORS; VOTE REQUIRED**

**We recommend that you vote FOR Proposal 2, the approval of the compensation of our NEOs as disclosed in the proxy statement pursuant to the SEC's compensation disclosure rules. All properly executed proxies received in time to be tabulated for the Annual Meeting will be voted FOR the approval of the compensation of our NEOs as disclosed**

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**in this proxy statement pursuant to the SEC's compensation disclosure rules unless otherwise specified.** In order to be adopted at the Annual Meeting, Proposal 2 must be approved by the affirmative vote of a majority of the total votes cast at the Annual Meeting. Abstentions and broker non-votes are not considered votes cast and will have no effect on the outcome of the vote.

**Proposal 3**

**Ratification of the Appointment of KPMG LLP as Our Independent Registered Public Accounting Firm for 2019**

**INTRODUCTION**

The Audit Committee is directly responsible for the appointment, compensation, retention, and oversight of the independent registered public accounting firm retained to audit Price Group's consolidated financial statements. To execute this responsibility, the Audit Committee engages in an evaluation of the independent auditor's qualifications, performance, and independence and periodically considers whether the independent registered public accounting firm should be rotated and the advisability and potential impact of selecting a different independent registered public accounting firm.

The Audit Committee has reappointed KPMG LLP to serve as our independent registered public accounting firm for 2019. KPMG was first appointed to serve as our independent registered public accounting firm on September 6, 2001. In accordance with SEC rules and KPMG policies, lead and reviewing audit partners are subject to rotation requirements that limit the number of consecutive years they may provide service in that capacity to five years. The process for selection of the lead audit partner pursuant to this rotation policy has included a discussion between the chair of the Audit Committee and the candidate for the role, as well as discussion of the selection by the full Committee with management.

The Audit Committee and the Board of Directors believe that the continued retention of KPMG as our independent registered public accounting firm is in the best interest of Price Group and our stockholders, and we are asking our stockholders to ratify the selection of KPMG as our independent registered public accounting firm for 2019.

Representatives of KPMG are expected to be present at the Annual Meeting and will have the opportunity to make a statement and respond to appropriate questions from stockholders.

**RECOMMENDATION OF THE BOARD OF DIRECTORS; VOTE REQUIRED**

**We recommend that you vote FOR Proposal 3, the ratification of the appointment of KPMG as our independent registered public accounting firm for 2019. All properly executed proxies received in time to be tabulated for the Annual Meeting will be voted FOR the ratification of the appointment of KPMG as our independent registered public accounting firm for 2019 unless otherwise specified.** In order to be adopted at the Annual Meeting, Proposal 3 must be approved by the affirmative vote of a majority of the total votes cast at the Annual Meeting. In the event Proposal 3 does not obtain the requisite number of affirmative votes, the Audit

Committee will reconsider the appointment of KPMG. Abstentions are not considered votes cast and will have no effect on the outcome of the vote.

#### **DISCLOSURE OF FEES CHARGED BY THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The following table summarizes the fees charged by KPMG for services rendered to Price Group and its subsidiaries during 2018 and 2017. All services were approved by the Audit Committee pursuant to the preapproval procedures described below.

<b>Type of Fee</b>	<b>2018</b>	<b>2017</b>
Audit Fees <sup>1</sup>	\$ 3,329,593	\$ 3,054,532
Audit-Related Fees <sup>2</sup>	182,614	120,444
Tax Fees <sup>3</sup>	1,038,012	881,072
All Other Fees <sup>4</sup>	173,208	82,088
	\$ 4,723,427	\$ 4,138,136

<sup>1</sup> Aggregate fees charged for annual audits, quarterly reviews, and the reports of the independent registered public accounting firm on internal control over financial reporting as of December 31, 2018 and 2017.

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Aggregate fees charged for assurance and related services that are reasonably related to the performance of the audit and are not reported as Audit Fees. In 2018 and 2017, these services included audits of several affiliated entities, including the corporate retirement plans and the T. Rowe Price Foundation, Inc., fees for consultations concerning financial accounting and reporting matters, and fees associated with KPMG’s consents related to registration filings. Aggregate fees charged for tax compliance, planning, and consulting. Of the \$1,038,012 in 2018, \$701,688 is related to tax compliance and preparation and \$336,324 is related to tax planning.

Both 2018 and 2017 include fees for KPMG’s performance of attestation engagements related to our compliance with the Global Investment Performance Standards and fees related to executive education. In addition, 2018 fees include engagements related to the review and analysis of certain regulatory returns and our corporate social responsibility report.

**AUDIT COMMITTEE PREAPPROVAL POLICIES**

The Audit Committee has adopted policies and procedures which set forth the manner in which the committee will review and approve all audit and non-audit services to be provided by the independent registered public accounting firm before that firm is retained for such services. The preapproval policies and procedures are as follows:

Any audit or non-audit service to be provided to Price Group by the independent registered public accounting firm must be submitted to the Audit Committee for review and approval. The proposed services are submitted on the Audit Committee’s “Independent Registered Public Accounting Firm Audit and Non-audit Services Request Form” with a description of the services to be performed, fees to be charged, and affirmation that the services are not prohibited under Section 201 of the Sarbanes-Oxley Act of 2002. The form must be approved by Price Group’s CEO, chief financial officer, or the principal accounting officer prior to the submission to the Audit Committee. The Audit Committee in its sole discretion then approves or disapproves the proposed services and documents such approval, if given, by signing the approval form. Preapproval actions taken during Audit Committee meetings are recorded in the minutes of the meetings.

Any audit or non-audit service to be provided to Price Group that is proposed between meetings of the Audit Committee will be submitted to the Audit Committee chair on a properly completed “Independent Registered Public Accounting Firm Audit and Non-audit Services Request Form” for the chair’s review and preapproval and will be included as an agenda item at the next scheduled Audit Committee meeting.

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**Report of the Audit Committee**

The Audit Committee oversees Price Group's financial reporting process on behalf of the Board of Directors. Our committee held eight meetings during 2018. Management has the primary responsibility for the financial statements and the reporting process, including internal controls over financial reporting. The independent registered public accounting firm is responsible for expressing an opinion on the conformity of Price Group's audited financial statements with generally accepted accounting principles and an opinion on the effectiveness of Price Group's internal controls over financial reporting. We appointed KPMG as Price Group's independent registered public accounting firm for 2018 after reviewing the firm's performance and independence from management and that appointment was ratified by our stockholders at the 2018 annual meeting. We reappointed KPMG as Price Group's independent registered public accounting firm for fiscal year 2019 at our January 2019 meeting, after conducting the same set of reviews.

In fulfilling our oversight responsibilities, we reviewed and discussed with management the audited financial statements prior to their issuance and publication in the 2018 Annual Report on Form 10-K and in the 2018 Annual Report to Stockholders. We reviewed with KPMG its judgments as to the quality, not just the acceptability, of Price Group's accounting principles and discussed with its representatives other matters required to be discussed under generally accepted auditing standards, including matters required to be discussed by Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 16-Communications with Audit Committees. We also discussed with KPMG its independence from management and Price Group and received its written disclosures pursuant to applicable requirements of the PCAOB regarding the independent accountant's communication with the audit committee concerning independence. We further considered whether the non-audit services described elsewhere in this proxy statement provided by KPMG are compatible with maintaining its independence.

We also discussed with management their evaluation of the effectiveness of Price Group's internal controls over financial reporting as of December 31, 2018. We discussed with KPMG its evaluation of the effectiveness of Price Group's internal controls over financial reporting.

We further discussed with Price Group's internal auditors and KPMG the overall scope and plans for their respective audits. We met with the internal auditors and KPMG, with and without management present, to discuss the results of their examinations and their evaluations of Price Group's internal controls.

Lastly, as part of our responsibilities for oversight of the Price Group's risk management process, we reviewed and discussed with the chief risk officer the Company's framework with respect to the risk assessment, including discussions of individual risk areas, as well as an annual summary of the overall process.

In reliance upon the reviews and discussions referred to above, we recommended to the Board of Directors, and the Board approved, the inclusion of the audited financial statements in the Annual Report on Form 10-K for the year ended December 31, 2018, for filing with the SEC.

Mark S. Bartlett, Chair  
Dr. Freeman A. Hrabowski, III  
Robert F. MacLellan  
Richard R. Verma  
Sandra S. Wijnberg

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### **Certain Relationships and Related Transactions**

Since 2014, the Company has been a party to a software license agreement with Diligent Corporation (“Diligent”) to provide online access to board and committee materials to the Company’s officers and directors. The chief executive officer and president of Diligent Corporation, Brian Stafford, is the spouse of our chief financial officer and treasurer, Céline S. Dufétel. Pursuant to the agreement, the Company paid Diligent Corporation approximately \$300,000 in 2018.

On December 20, 2018, we entered into a consulting agreement with Mr. Bernard pursuant to which he will provide strategic and other consulting services to us and continue to serve as a board member of UTI Asset Management Company Limited, for a period of one year. The consulting agreement is effective as of January 1, 2019, and thereafter is automatically renewed on January 1 of each year. It can be terminated by either party for any reason at the end of any year or upon at least 30 days prior written notice. The agreement provides for payments to Mr. Bernard of \$350,000 per year, plus reimbursement for reasonable out-of-pocket expenses. In addition, while traveling for the Company we will provide insurance and emergency travel assistance coverage to Mr. Bernard.

### **Stockholder Proposals for the 2020 Annual Meeting**

Any stockholder who wishes to submit a proposal or nominate a director for consideration at the 2020 Annual Meeting and include that proposal or nomination in the 2020 proxy statement should send their proposal to T. Rowe Price Group, Inc., c/o chief legal counsel and corporate secretary, 100 East Pratt Street, Mail Code BA-1360, Baltimore, MD 21202, and comply with the notice and other requirements described below.

Proposals must be received no later than November 15, 2019, and satisfy the requirements under applicable SEC rules (including SEC Rule 14a-8) to be included in the proxy statement and on the proxy card that will be used for solicitation of proxies by the Board for the 2020 Annual Meeting.

We have adopted a proxy access right to permit a stockholder, or a group of up to 20 stockholders, owning 3% or more of the Company’s outstanding common stock continuously for at least three years to nominate and include in the Company’s proxy materials directors constituting up to two individuals or 20% of the Board (whichever is greater), provided that the stockholder(s) and the nominee(s) satisfy the requirements specified in the amended Bylaws. To be considered timely under our proxy access provisions, stockholder nominations must be received on or after October 16, 2019, and on or before November 15, 2019, inclusive.

Our By-Laws also require advance notice of any proposal by a stockholder to be presented at the 2020 Annual Meeting that is not included in our proxy statement and on the proxy card, including any proposal for the nomination of a director for election.

To be properly brought before the 2020 Annual Meeting, written nominations for directors or other business to be introduced by a stockholder must be received on or after December 27, 2019, and on or before January 26, 2020. A notice of a stockholder proposal must contain the information required by our By-Laws about the matter to be brought before the Annual Meeting and about the stockholder proponent and persons associated with the stockholder through control, ownership of the shares, agreement, or coordinated activity. We reserve the right to reject proposals that do not comply with these requirements.

Pursuant to Maryland law and our Amended and Restated By-Laws, a special meeting of our stockholders can generally be called by the chairman of the Board, our president, our Board, or upon the written request of stockholders entitled to cast at least 25% of all votes entitled to be cast at the special meeting.

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**Stockholder Communications With the Board of Directors**

Our Board members are interested in hearing the opinions of the stockholders. The Nominating and Corporate Governance Committee has established the following procedures in order to facilitate communications between our stockholders and our Board:

Stockholders may send correspondence, which should indicate that the sender is a stockholder, to our Board or to any individual director by mail to T. Rowe Price Group, Inc., c/o chief legal counsel, P.O. Box 17134, Baltimore, MD 21297-1134, or by email to **contact\_the\_board@troweprice.com** or by Internet at [troweprice.gcs-web.com/corporate-governance/contact-the-board](http://troweprice.gcs-web.com/corporate-governance/contact-the-board).

Our chief legal counsel will be responsible for the first review and logging of this correspondence. Counsel will forward the communication to the director or directors to whom it is addressed unless it is a type of correspondence that the Nominating and Corporate Governance Committee has identified as correspondence that may be retained in our files and not sent to directors.

The Nominating and Corporate Governance Committee has authorized chief legal counsel to retain and not send to directors the following types of communications:

Advertising or promotional in nature (offering goods or services);

Complaints by clients with respect to ordinary course of business customer service and satisfaction issues; provided, however, that the chief legal counsel will notify the chair of the Nominating and Corporate Governance Committee of any complaints that, in the opinion of the chief legal counsel, warrant immediate committee attention by their nature or frequency; or

Those clearly unrelated to our business, industry, management, Board, or committee matters.

These types of communications will be logged and filed but not circulated to directors. Except as set forth in the preceding sentence, chief legal counsel will not screen communications sent to directors.

The log of stockholder correspondence will be available to members of the Nominating and Corporate Governance Committee for inspection. At least once each year, chief legal counsel will provide to the Nominating and Corporate Governance Committee a summary of the communications received from stockholders, including the communications not sent to directors in accordance with screening procedures approved by the Nominating and Corporate Governance Committee.

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