

SONOCO PRODUCTS CO
Form DEF 14A
March 18, 2019
Table of Contents

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

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Sonoco Products Company
(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):

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- (1) Amount previously paid:
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-

Table of Contents

SONOCO PRODUCTS COMPANY
1 NORTH SECOND STREET
HARTSVILLE, SOUTH CAROLINA 29550 US

March 4, 2019

To Our Shareholders:

You are cordially invited to attend our Annual Shareholders Meeting to be held at the Center Theater, 212 North Fifth Street, Hartsville, South Carolina, on Wednesday, April 17, 2019, at 11:00 a.m. (Eastern Time).

We have enclosed a Notice of 2019 Annual Meeting of Shareholders and Proxy Statement that cover the details of matters to be presented at the meeting.

In addition to acting on the matters listed in the Notice of Annual Meeting of Shareholders, we will discuss the Company's progress, and you will be given an opportunity to ask questions of general interest to all shareholders.

We have also enclosed a copy of our 2018 Annual Report, which reviews the Company's events of the past year, and discusses strategy and the outlook for the future (or we delivered one copy of the Annual Report for all shareholders at your address).

We hope that you will come to the 2019 Annual Meeting of Shareholders in person; however, even if you plan to attend, we strongly encourage you to complete the enclosed proxy card or voting instruction form and return it in the enclosed business reply envelope. If you are a shareholder of record, you can also vote by telephone (if you live in the United States) or via the Internet. Instructions are shown on your proxy card. If you are a shareholder of record and for any reason you desire to revoke your proxy, you can do so at any time before the voting. Your

vote is important and will be greatly appreciated.

Harris E. DeLoach, Jr.

Executive Chairman

TABLE OF CONTENTS

<u>Notice Of 2019 Annual Meeting Of Shareholders</u>	4	<u>Executive Compensation</u>	25
<u>Proxy Statement</u>	5	<u>Compensation Discussion and Analysis</u>	25
<u>Information Concerning the Solicitation of Proxy Materials</u>	5	<u>Compensation Committee Report</u>	47
<u>Proposal 1: Election of Directors</u>	8	<u>Compensation Risk Review</u>	47
<u>Information Concerning Directors Whose Terms Continue</u>	11	<u>Summary Compensation Table</u>	48
<u>Corporate Governance</u>	13	<u>2018 Grants of Plan-based Awards</u>	51
<u>Corporate Governance Guidelines and Code of Business Conduct and Ethics</u>	13	<u>Outstanding Equity Awards at 2018 Fiscal Year-end</u>	53
<u>Director Independence Policies</u>	13	<u>2018 Option Exercises and Stock Vested</u>	55
<u>Majority Withheld Director Resignation Policy</u>	13	<u>2018 Pension Benefits</u>	57
<u>Board Leadership Structure, Executive Sessions of Non-management Directors and Lead Director</u>	14	<u>2018 Nonqualified Deferred Compensation</u>	60
<u>Declassification of the Board of Directors</u>	14	<u>Potential Benefits Payable Immediately Upon Certain Separation Events</u>	64
<u>Director Nomination Process</u>	14	<u>Pay Ratio</u>	66
<u>Shareholder Proxy Access</u>	15	<u>Director Compensation</u>	67
<u>Communications with the Board of Directors</u>	15	<u>2018 Director Compensation Table</u>	68
<u>Board Meetings and Committees of the Board</u>	16	<u>Non-employee Directors Outstanding Equity Awards at 2018 Fiscal Year-end</u>	70
<u>Annual Performance Evaluation of the Board</u>	18	<u>Audit Committee Report</u>	71
<u>The Board's Role in the Risk Management Process</u>	18	<u>Independent Registered Public Accounting Firm</u>	72
<u>Compensation Committee Interlocks and Insider Participation</u>	20	<u>Proposal 2: Ratification of Independent Registered Public Accounting Firm</u>	73
<u>Related Party Transactions</u>	20	<u>Proposal 3: Advisory Resolution to Approve Executive Compensation</u>	74
<u>Section 16(a) Beneficial Ownership Reporting</u>	22	<u>Proposal 4: Approval of the 2019 Omnibus Incentive Plan</u>	74
<u>Compliance</u>	22	<u>Proposal 5: Advisory (Non-binding) Shareholder Proposal Regarding Simple Majority Vote</u>	83
<u>Security Ownership of Certain Beneficial Owners</u>	22	<u>Incorporation by Reference</u>	84
<u>Security Ownership of Management</u>	23	<u>Shareholder Proposals for Next Annual Meeting</u>	84
		<u>Delivery of Documents to Shareholders</u>	84
		<u>Sharing an Address</u>	84

<u>Electronic Access to Annual Meeting</u>	
<u>Materials</u>	85
<u>Other Matters</u>	85
<u>Exhibit One: Sonoco Products Company 2019</u>	
<u>Omnibus Incentive Plan</u>	E1

SONOCO 2019 PROXY STATEMENT

Table of Contents

SONOCO PRODUCTS COMPANY

1 NORTH SECOND STREET

HARTSVILLE, SOUTH CAROLINA 29550 US

NOTICE OF 2019 ANNUAL

MEETING OF SHAREHOLDERS

TIME

11:00 a.m. (Eastern time) on Wednesday, April 17, 2019

PLACE

The Center Theater, 212 North Fifth Street, Hartsville, South Carolina

PROPOSALS

Proposal 1: Election of Directors;

Proposal 2: Ratification of independent registered public accounting firm;

Proposal 3: Advisory (non-binding) resolution to approve executive compensation;

Proposal 4: Approval of the 2019 Omnibus Incentive Plan;

Proposal 5: Advisory (non-binding) shareholder proposal regarding simple majority vote; and

Transact any other business that properly comes before the meeting or any adjournment of the meeting.

RECORD DATE

You may vote only if you were a shareholder of record at the close of business on February 27, 2019.

ANNUAL REPORT

We have enclosed a copy of the 2018 Annual Report or we have delivered a single copy of the Annual Report for all shareholders at your address. The Annual Report is not part of the proxy soliciting material.

PROXY VOTING

It is important that your shares be represented and voted at the meeting.

If you hold your shares in your own name as a record shareholder, please vote in one of these three ways:

- (1) USE THE TOLL-FREE TELEPHONE NUMBER shown on your proxy card if you live in the United States;
- (2) VISIT THE WEBSITE shown on your proxy card and vote via the Internet; or
- (3) MARK, SIGN, DATE, AND PROMPTLY RETURN the enclosed proxy card in the postage-paid envelope.

If your shares are held in street name by a broker, bank, or other nominee, please follow the instructions that entity sent to you with these proxy materials to have your shares voted at the Annual Meeting.

By order of the Board of Directors,

John M. Florence, Jr.

March 4, 2019

Secretary

Table of Contents

SONOCO PRODUCTS COMPANY

1 NORTH SECOND STREET

HARTSVILLE, SOUTH CAROLINA 29550 US

PROXY STATEMENT
INFORMATION CONCERNING THE SOLICITATION

We are sending you these proxy materials in connection with the solicitation by the Board of Directors of Sonoco Products Company of proxies to be used at the Annual Meeting of Shareholders (Annual Meeting) to be held on Wednesday, April 17, 2019, at 11:00 a.m. (Eastern time) at The Center Theater, 212 North Fifth Street, Hartsville, SC, and at any adjournment or postponement of the meeting. The proxy materials are first being mailed on or about March 18, 2019. If you wish to attend the meeting in person, you may obtain directions to our office on our website at sonoco.com. The site of the Annual Meeting is only a short distance from the Sonoco office, and directions from the office to the annual meeting site may be obtained at the reception desk.

How a Quorum Will Be Established

The Annual Meeting will be held if a majority of the outstanding shares of common stock entitled to vote (a quorum) is represented at the meeting. If you have submitted valid proxy instructions, or are a record shareholder and attend the meeting in person, your shares will be counted for the purpose of determining whether there is a quorum, even if you wish to abstain from voting on some or all matters introduced.

Broker non-votes also count in determining whether a quorum is present. A broker non-vote occurs when a broker, bank, or nominee who

HOW TO VOTE SHARES

HELD DIRECTLY

If you hold your shares in your own name as a record shareholder through our transfer agent, Continental Stock Transfer and Trust, you may vote by proxy or in person at the meeting. To vote by proxy you may select one of the following options:

Telephone - You may vote by telephone (if you live in the United States) using the toll-free number shown on your proxy card. You must have a touch-tone telephone to use this option. Telephone voting is available 24 hours a day, seven days a week. Votes must be received by 7pm (EDT) on April 16, 2019. Clear and simple voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. If you vote by telephone, please **DO NOT** return your proxy card.

Internet - You may vote through the Internet. The website for Internet voting is shown on your proxy card. Internet voting is available 24 hours a day, seven

holds shares in street name for a beneficial owner attends the meeting in person, or by proxy, but chooses not to vote on a particular proposal, or does not have discretionary voting power for that proposal, and has not received voting instructions from the beneficial owner.

Who May Vote

You will only be entitled to vote at the Annual Meeting if our records show that you were a record shareholder on February 27, 2019. At the close of business on February 27, 2019, a total of 100,033,572 shares of our common stock were outstanding and entitled to vote. Each share of common stock has one vote.

days a week. Votes must be received by 7pm (EDT) on April 16, 2019. When you vote through the Internet, you will be given the opportunity to confirm that your instructions have been properly recorded. If you vote through the Internet, please **DO NOT** return your proxy card.

Mail - If you choose to vote by mail, please mark the enclosed proxy card, sign and date it, and return it in the enclosed postage-paid envelope.

Table of Contents

INFORMATION CONCERNING THE SOLICITATION

Actions of the Proxy Agents

If you indicate your voting choices, your shares will be voted according to your instructions. If you fail to give voting instructions, the proxy agents will vote your shares according to the recommendations of the Board of Directors:

- Proposal 1 **FOR** all nominees for director,
- Proposal 2 **FOR** ratification of the selection of PwC LLP as our independent registered public accounting firm,
- Proposal 3 **FOR** the advisory (non-binding) resolution on executive compensation,
- Proposal 4 **FOR** the approval of the 2019 Omnibus Incentive Plan, and
- Proposal 5 **AGAINST** the advisory (non-binding) shareholder proposal regarding simple majority vote.

The proxy agents will vote according to their best judgment on any other matter that properly comes before the Annual Meeting. At present, the Board of Directors does not know of any other such matters.

How to Revoke Your Proxy

You may revoke your proxy at any time before it is voted. If you hold your shares in your own name as a record shareholder, you may revoke your proxy in any of the following ways:

Subsequent voting by telephone or via the Internet cancels your previous vote. If you are a shareholder of record, you may also attend the meeting and vote in person, in which case your proxy vote will not be used.

If your shares are held in street name by a broker, bank, or other nominee, you may revoke your voting instructions by submitting new voting instructions to the broker, bank, or other nominee who holds your shares.

How to Vote Shares Held in Street Name by a Broker, Bank, or Other Nominee

If your shares are held in street name by a broker, bank, or other nominee, you may direct your vote by submitting your voting instructions to your broker, bank, or other nominee. Please refer to the voting instructions provided by your broker, bank, or other nominee. For matters that are considered routine in nature, brokers have discretionary authority to vote on behalf of the shareholder. The only routine proposal for consideration at the Annual Meeting is Proposal 2, the ratification of the independent registered public accounting firm. Brokers may vote on this matter even if you have not provided voting instructions.

Your broker, bank, or other nominee is not permitted to vote on Proposal 1, Proposal 3, Proposal 4, or Proposal 5 unless you provide voting instructions. Therefore, if you hold your shares in street name and do not return a voting instruction form, or if you return a voting

- instruction form but do not indicate how you want your broker, bank, or other nominee to vote on any of these matters, a broker non-vote will occur with respect to such matters.
- by giving notice of revocation at the Annual Meeting;
- by delivering to the Secretary of the Company, 1 North Second Street, Hartsville, SC 29550 US, written instructions revoking your proxy; or
- If you wish to vote at the meeting and your shares are held in street name by a bank, broker, or other nominee, you must obtain a proxy executed in your favor from the holder of record prior to the meeting and present it to the Secretary of the Company at the meeting.
- by delivering to the Secretary an executed proxy bearing a later date.

6

SONOCO 2019 PROXY STATEMENT

Table of Contents

INFORMATION CONCERNING THE SOLICITATION

HOW VOTES WILL BE COUNTED

Proposal 1: Election of Directors

Directors will be elected by a plurality of the votes cast by shares present and entitled to vote at the Annual Meeting.

Plurality means that, if there were more nominees than positions to be filled, the persons who received the largest number of votes would be elected. Because there is the same number of nominees as positions to be filled, we expect all nominees to be elected. Votes that are withheld or that are not voted in the election of directors (including broker non-votes) will have no effect on the outcome of the election. Cumulative voting is not permitted.

Proposal 2: Ratification of Independent Registered Public Accounting Firm

The ratification of the independent registered public accounting firm will be approved if the votes cast in favor exceed the votes cast against the matter. Abstentions or shares that are not voted will have no effect on the outcome of the matter.

Proposal 3: Advisory (Non-Binding) Resolution to Approve Executive Compensation

Proposal 4: Approval of the 2019 Omnibus Incentive Plan

The vote on the approval of the 2019 Omnibus Incentive Plan will be approved if the votes cast in favor of the matter exceed the votes cast against the matter. Abstentions or shares that are not voted (including broker non-votes) will have no effect on the outcome of the matter.

Proposal 5: Advisory (Non-Binding) Shareholder Proposal Regarding Simple Majority Vote

The vote on the advisory (non-binding) shareholder proposal regarding simple majority vote will be approved if the votes cast in favor of the matter exceed the votes cast against the matter. Abstentions or shares that are not voted (including broker non-votes) will have no effect on the outcome of the matter. Because the proposal is non-binding, its effect will be to inform the Board of Directors of the preferences of shareholders casting votes on the proposal.

Other Matters

Any other matter that may be brought before the meeting will be approved

The vote on the advisory (non-binding) resolution to approve executive compensation will be approved if the votes cast in favor of the matter exceed the votes cast against the matter.

However, the vote is non-binding on us and our Board of Directors.

Abstentions or shares that are not voted (including broker non-votes) will have no effect on the outcome of the matter.

according to our By-laws. Articles of Incorporation and other governing documents, if the votes cast in favor of the matter exceed the votes cast against the matter. Abstentions or shares that are not voted (including broker non-votes) will have no effect on the outcome of such matters.

Cost of this Proxy Solicitation

We will pay the cost of this proxy solicitation. Morrow Sodali LLC, will assist in obtaining proxies by mail, facsimile or email from brokerage firms, banks, broker-dealers or other similar organizations representing beneficial owners of shares. We have agreed to a fee of approximately \$6,500 plus out-of-pocket expenses.

Morrow Sodali LLC may be contacted at Morrow Sodali LLC, 470 West Ave, Stamford, CT 06902.

In addition to soliciting proxies by mail, we expect that some of our officers, directors, and regular employees will solicit proxies by telephone, fax, email, or personal contact. None of these officers, directors or employees will receive any additional or special compensation for doing this.

Table of Contents

PROPOSAL ONE

ELECTION OF DIRECTORS

In June, 2017, we amended our Articles of Incorporation to declassify our Board of Directors and elect all directors annually. Pursuant to the transition provision of that amendment, directors elected at the 2019 Annual Meeting will each be elected for a term of one year. Directors elected at the 2017 Annual Meeting of Shareholders, however, will continue to hold office for their elected three-year term, expiring at the 2020 Annual Meeting. The Board of Directors has been set at twelve members. At our Annual Meeting, seven directors will be elected. P.L. Davies, T.J. Drew, P. Guillemot, J.R. Haley, R.G. Kyle, R.C. Tiede, and T.E. Whiddon have been recommended by the Corporate Governance and Nominating Committee to the Board of Directors and nominated for election to hold

office for a one-year term. T.J. Drew was recommended to the Corporate Governance and Nominating Committee by our Lead Director. The proxy agents intend to vote FOR the election of the seven persons named above unless you withhold authority to vote for any or all of the nominees. Details of the Board declassification can be found under the heading Declassification of the Board of Directors on page 14.

The Board of Directors recommends that you vote FOR each nominee.

Dr. Pamela L. Davies

Theresa J. Drew

Board member since: 2004

Board member since: October 2018

Age: 62

Age: 61

Dr. Davies has been President of Queens University of Charlotte (institution of higher learning), Charlotte, NC, since 2002. She is currently a director of The Cato Corporation. Dr. Davies was

Ms. Drew has been Managing Partner of the Carolinas practice of Deloitte, (global accounting and professional services firm), Charlotte, NC since 2011. She joined Deoitte in 1979 and is

previously a director of
Family Dollar Stores,
Inc. from 2009 to 2015.

Certified Public
Accountant.

Sonoco's Board believes Dr. Davies is qualified to serve as a director based on the experience described above, as well as the financial and strategic planning expertise, broad leadership ability, global perspective, and strong business academic viewpoint derived from her service as president of a university and former dean of its business school. Her past experience on the boards of other public companies also provides her with valuable regulatory experience and an understanding of corporate governance issues.

Sonoco's Board believes Ms. Drew is qualified to serve as a director based on her nearly forty years of experience with Deloitte, which has provided her with in-depth financial, auditing and accounting experience related to various businesses and industries, as well as senior leadership experience.

8

SONOCO 2019 PROXY STATEMENT
