

Primo Water Corp  
Form 424B3  
December 06, 2016  
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**Filed Pursuant to Rule 424(b)(3)**

**Registration No. 333-214200**

**CONSENT SOLICITATION STATEMENT OF PROSPECTUS OF  
GLACIER WATER SERVICES, INC. PRIMO WATER CORPORATION**

To Stockholders of Glacier Water Services, Inc.:

As you may be aware, Primo Water Corporation, a Delaware corporation (“Primo”), entered into an Agreement and Plan of Merger, dated as of October 9, 2016 (the “Merger Agreement”), by and among Primo, Primo Subsidiary, Inc., a Delaware corporation and wholly-owned subsidiary of Primo (“Merger Sub”), Glacier Water Services, Inc., a Delaware corporation (“Glacier”), and David Shladovsky, as Stockholder Representative. Pursuant to the Merger Agreement, Merger Sub will merge with and into Glacier with Glacier remaining as the surviving entity and a wholly-owned subsidiary of Primo (the “Merger”).

The aggregate purchase price to be paid by Primo to holders of Glacier common stock, holders of options to purchase shares of Glacier common stock and the holder of LLC common units of GW Services LLC (the “Merger consideration”) will consist of (a) approximately \$86.0 million in a combination of cash and shares of Primo common stock (less certain expenses incurred by Glacier in connection with the Merger), subject to adjustment pursuant to the Merger Agreement, and (b) warrants to purchase 2.0 million shares of Primo common stock. The precise amount of the aggregate Merger consideration and the resulting Per Share Merger Consideration (as defined in this consent solicitation statement/prospectus) will not be known until shortly before the effective time of the Merger, but it is currently expected to consist approximately of \$12.17 in cash, 0.87 of a share of Primo common stock and a warrant to purchase 0.54 of a share of Primo common stock.

Primo common stock is traded on the Nasdaq Global Market under the symbol “PRMW.” On October 7, 2016, the last trading day prior to the announcement of the Merger, the last reported sale price of Primo common stock on the Nasdaq Global Market was \$11.85. On December 2, 2016, the most recent practicable date prior to the filing of the accompanying consent solicitation statement/prospectus, the last reported sale price of Primo common stock on the

Nasdaq Global Market was \$12.46. We urge you to obtain current stock price quotations for Primo common stock from a newspaper, the internet or your broker.

Glacier common stock is quoted in the Pink Sheet Electronic Quotation Service under the symbol "GWSV." On October 7, 2016, the last trading day prior to the announcement of the Merger, the last reported sale price of Glacier common stock on the Pink Sheet Electronic Quotation Service was \$11.00. On December 2, 2016, the most recent practicable date prior to the filing of the accompanying consent solicitation statement/prospectus, the last reported sale price of Glacier common stock on the Pink Sheet Electronic Quotation Service was \$22.45. We urge you to obtain current stock price quotations for Glacier common stock from the internet or your broker.

The Glacier board of directors has carefully considered the Merger and the terms of the Merger Agreement and has unanimously determined that the Merger and the Merger Agreement are advisable, fair to and in the best interests of Glacier and its stockholders. Accordingly, the Glacier board of directors has unanimously adopted and approved the Merger and the Merger Agreement. However, the approval of Glacier stockholders holding a majority of the outstanding shares of Glacier common stock entitled to vote on the adoption of the Merger Agreement is required for the Merger to close, and you are being sent this document to ask you to adopt and approve the Merger Agreement and the Merger by signing and returning the consent furnished with this consent solicitation statement/prospectus. No vote of Primo stockholders is required to complete the Merger.

Certain principal stockholders of Glacier have entered into voting agreements with Primo with respect to a portion of their shares, representing approximately 33.3% of all currently outstanding shares of Glacier common stock, under which they have agreed, among other things, to vote all of the shares covered by the voting agreements in favor of adoption and approval of the Merger Agreement and the Merger.

The Glacier board of directors has set October 6, 2016 as the record date for determining holders of Glacier common stock entitled to sign and deliver consents with respect to this solicitation. If you are a record holder of outstanding Glacier common stock on that date, you are urged to complete, date and sign the enclosed consent and promptly return it to Glacier. See the section entitled "Solicitation of Consents" beginning on page 45.

**We encourage you to read carefully this consent solicitation statement/prospectus and the documents incorporated by reference into this consent solicitation statement/prospectus in their entirety, including the section entitled "Risk Factors" beginning on page 30.**

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this consent solicitation statement/prospectus, or determined if this consent solicitation statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

This consent solicitation statement/prospectus is dated December 5, 2016, and is first being mailed to Glacier stockholders on or about December 5, 2016.

/s/ Brian H. McInerney  
Brian H. McInerney  
President and Chief Executive Officer

Glacier Water Services, Inc.

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**GLACIER WATER SERVICES, INC.**

1385 Park Center Drive

Vista, California 92081

**Notice of Solicitation of Consent**

To Stockholders of Glacier Water Services, Inc.:

Pursuant to an Agreement and Plan of Merger, dated as of October 9, 2016 (the “Merger Agreement”), by and among Primo Water Corporation, a Delaware corporation (“Primo”), Primo Subsidiary, Inc., a Delaware corporation and wholly-owned subsidiary of Primo (“Merger Sub”), Glacier Water Services, Inc., a Delaware corporation (“Glacier”), and David Shladovsky, as Stockholder Representative, Merger Sub will merge with and into Glacier with Glacier remaining as the surviving entity and a wholly-owned subsidiary of Primo (the “Merger”).

This consent solicitation statement/prospectus is being delivered to you on behalf of the Glacier board of directors to request that holders of Glacier common stock as of the record date of October 6, 2016 sign and return consents to adopt and approve the Merger Agreement and the Merger.

This consent solicitation statement/prospectus describes the proposed Merger and the actions to be taken in connection with the Merger and provides additional information about the parties involved. Please give this information your careful attention. A copy of the Merger Agreement is attached as Appendix A to this consent solicitation statement/prospectus.

A summary of the appraisal rights that may be available to you is described below under “Appraisal Rights.” Please note that if you wish to exercise appraisal rights you must not sign and return a consent adopting and approving the Merger Agreement and the Merger. However, so long as you do not return a consent form at all, it is not necessary to affirmatively vote against or disapprove the Merger. In addition, you must take all other steps necessary to perfect your appraisal rights.

**The Glacier board of directors has carefully considered the Merger and the terms of the Merger Agreement and has unanimously determined that the Merger and the Merger Agreement are advisable, fair to and in the**

**best interest of Glacier and its stockholders.**

**Please complete, date and sign the consent furnished with this consent solicitation statement/prospectus and return it promptly to Glacier by one of the means described in the section entitled "Solicitation of Consents."**

By Order of the Board of Directors,

/s/ Steven D. Stringer  
Steven D. Stringer  
Secretary

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**ADDITIONAL INFORMATION**

This consent solicitation statement/prospectus incorporates by reference important business and financial information about Primo from other documents that Primo has filed with the U.S. Securities and Exchange Commission (the “SEC”). These documents are furnished to you with this consent solicitation statement/prospectus. For a listing of the documents incorporated by reference into this consent solicitation statement/prospectus, see the section entitled “Where You Can Find Additional Information.”

Primo will provide you with copies of such documents (excluding all exhibits, unless Primo has specifically incorporated by reference an exhibit in the accompanying consent solicitation statement/prospectus), without charge, upon written or oral request to:

Primo Water Corporation

Investor Relations

101 North Cherry Street, Suite 501

Winston-Salem, North Carolina 27101

(336) 331-4000

**ABOUT THIS CONSENT SOLICITATION STATEMENT/PROSPECTUS**

This consent solicitation statement/prospectus, which forms part of a registration statement on Form S-4 filed with the SEC by Primo, constitutes a prospectus of Primo under Section 5 of the Securities Act of 1933, as amended (the “Securities Act”), with respect to the shares of Primo common stock and the warrants to purchase shares of Primo common stock to be issued to Glacier stockholders, holders of Glacier stock options and the holder of LLC common units (the “minority LLC common units”) of GW Services LLC, a California limited liability company and subsidiary of Glacier, pursuant to the Merger Agreement. This document also constitutes a consent solicitation statement of Glacier with respect to the proposal to adopt the Merger Agreement.

Primo has supplied all information contained or incorporated by reference in this consent solicitation statement/prospectus relating to Primo, including Primo's most recent Annual Report on Form 10-K for the year ended December 31, 2015 and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2016. Primo has not authorized anyone to provide you with information that is different from what is contained in this consent solicitation statement/prospectus.

You should rely only on the information contained in or incorporated by reference into this consent solicitation statement/prospectus. Neither Primo nor Glacier has authorized anyone to provide you with different information. This consent solicitation statement/prospectus is dated as of December 5, 2016. You should not assume that information contained in this consent solicitation statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this consent solicitation statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither the mailing of this consent solicitation statement/prospectus to the Glacier equityholders nor the issuance by Primo of common stock and warrants to purchase common stock in the Merger will create any implication to the contrary.

**This consent solicitation statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a consent, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this consent solicitation statement/prospectus regarding Primo has been provided by Primo and information contained in this consent solicitation statement/prospectus regarding Glacier has been provided by Glacier.**

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All references in this consent solicitation statement/prospectus to “Primo” refer to Primo Water Corporation, a Delaware corporation; all references in this consent solicitation statement/prospectus to “Merger Sub” refer to Primo Subsidiary, Inc., a Delaware corporation and wholly-owned subsidiary of Primo; all references in this consent solicitation statement/prospectus to “Glacier” refer to Glacier Water Services, Inc., a Delaware corporation, and (except where the context indicates otherwise) its subsidiaries; all references in this consent solicitation statement/prospectus to the “Combined Company” refer to Primo following the completion of the Merger; all references in this consent solicitation statement/prospectus to “Primo common stock” refer to the common stock, par value \$0.001 per share, of Primo; all references in this consent solicitation statement/prospectus to “warrants to purchase shares of Primo common stock” refer to the warrants to be issued by Primo to Glacier equityholders in connection with the Merger to purchase shares of Primo common stock at an exercise price equal to \$11.88 per share of Primo common stock; all references in this consent solicitation statement/prospectus to “Primo stockholders” refer to the holders of Primo common stock; all references in this consent solicitation statement/prospectus to “Glacier common stock” refer to the common stock, par value \$0.01 per share, of Glacier; all references in this consent solicitation statement/prospectus to “Glacier stockholders” refer to the holders of Glacier common stock; all references in this consent solicitation statement/prospectus to “Glacier stock options” refer to the option to purchase shares of Glacier common stock; all references in this consent solicitation statement/prospectus to “holders of Glacier stock options” refer to the holders of options to purchase shares of Glacier common stock; all references in this consent solicitation statement/prospectus to “minority LLC common units” refer to the LLC common units of GW Services LLC, a California limited liability company and a majority-owned subsidiary of Glacier; all references in this consent solicitation statement/prospectus to “Glacier equityholders” refer to the Glacier stockholders, holders of options to purchase shares of Glacier common stock, and Glacier Water Holdings, LLC, the holder of the minority LLC common units; all references in this consent solicitation statement/prospectus to the “Merger” refer to the proposed merger of Merger Sub with and into Glacier; unless otherwise indicated or as the context requires, all references in this consent solicitation statement/prospectus to “we,” “our” and “us” refer to Primo and Glacier collectively; and, unless otherwise indicated or as the context requires, all references to the “Merger Agreement” refer to the Agreement and Plan of Merger, dated as of October 9, 2016, by and among Primo, Merger Sub, Glacier, and David Shladovsky, as Stockholder Representative.



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APPENDIX B –FORM OF WARRANT AGREEMENT

APPENDIX C – VOTING AGREEMENTS BY AND AMONG PRIMO WATER CORPORATION AND EACH OF RICHARD KAYNE, BRIAN MCINERNEY AND CHARLES NORRIS

APPENDIX D – EMPLOYMENT AGREEMENT, DATED AS OF OCTOBER 9, 2016, BETWEEN PRIMO WATER CORPORATION AND BRIAN MCINERNEY

APPENDIX E –FORM OF LOCK-UP AGREEMENT

APPENDIX F –SECTION 262 OF THE DELAWARE GENERAL CORPORATION LAW

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**QUESTIONS AND ANSWERS**

*The following are brief answers to certain questions that you, as a Glacier equityholder, may have regarding the Merger and the Merger Agreement. Glacier equityholders should read carefully the remainder of this consent solicitation statement/prospectus because the information in this section may not provide all the information that might be important to you with respect to the Merger. Additional important information is also contained in the appendices and exhibits to, and the documents incorporated by reference in, this consent solicitation statement/prospectus. See “Where You Can Find Additional Information” beginning on page 148.*

**Q: Why am I receiving this consent solicitation statement/prospectus?**

A: Primo has agreed to acquire Glacier under the terms of the Merger Agreement that is described in this consent solicitation statement/prospectus. See the section titled “The Merger Agreement” beginning on page 68 of this consent solicitation statement/prospectus. A copy of the Merger Agreement is attached to this consent solicitation statement/prospectus as Appendix A. It is the legal document that governs the Merger.

The board of directors of Glacier is providing these consent solicitation materials to the Glacier stockholders, and is soliciting such holders’ consent to a proposal to adopt and approve the Merger Agreement and the Merger and the other transactions contemplated by the Merger Agreement. These consent solicitation materials also constitute a prospectus with respect to the shares of Primo common stock and the warrants to purchase shares of Primo common stock to be issued to Glacier equityholders in the Merger. This consent solicitation statement/prospectus contains important information about the Merger and the Merger Agreement, including the availability of appraisal rights in connection with the Merger, and you should read this consent solicitation statement/prospectus carefully.

**Q: What will happen to Glacier as a result of the Merger, and what will I receive in the Merger?**

A: As a result of the Merger, Merger Sub, a wholly-owned subsidiary of Primo, will merge with and into Glacier and outstanding shares of Glacier common stock, Glacier stock options and minority LLC common units will be cancelled. Upon the effective time of the Merger, you will be entitled to receive a combination of cash, shares of Primo common stock and warrants to purchase shares of Primo common stock.

Under the Merger Agreement, at the effective time of the Merger and without any action on the part of the holder thereof, the outstanding shares of Glacier common stock, Glacier stock options and minority LLC common units will be converted into or exchanged for the right to receive an aggregate of approximately \$50,000,000 in cash and approximately \$36,000,000 of shares of Primo common stock, each subject to adjustment pursuant to the Merger Agreement, and warrants to purchase 2,000,000 shares of Primo common stock at an exercise price equal to \$11.88 per share of Primo common stock. The precise amount of the aggregate Merger consideration and the resulting Per Share Merger Consideration (as defined in this consent solicitation statement/prospectus) will not be known until

shortly before the effective time of the Merger, but it is currently estimated to consist of approximately \$12.17 in cash, 0.87 of a share of Primo common stock and a warrant to purchase 0.54 of a share of Primo common stock.

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**Q: Why are Primo and Glacier proposing the Merger?**

Primo and Glacier believe that combining the strengths of the two companies is in the best interests of their respective companies and stockholders. The Merger of Primo and Glacier will unite two highly complementary brands and position the Combined Company with approximately 46,000 retail locations throughout the United States and Canada with the opportunity to generate significant operating scale through an expansive refill and exchange network. To review the reasons for the Merger in greater detail, see the sections titled “The Merger – Primo’s Reasons for the Merger” beginning on page 55 of this consent solicitation statement/prospectus and “The Merger – Glacier’s Reasons for the Merger; Recommendation of the Glacier Board of Directors” beginning on page 57 of this consent solicitation statement/prospectus.

**Q: Does the board of directors of Glacier support the Merger?**

Yes. The board of directors of Glacier has determined that the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger, are advisable, fair to and in the best interests of Glacier and its stockholders, and unanimously recommends that Glacier stockholders adopt and approve the Merger Agreement and the Merger and the other transactions contemplated by the Merger Agreement by signing and delivering the consent furnished with this consent solicitation statement/prospectus.

**Q: What happens if the Merger is not consummated?**

If the Merger Agreement is not adopted by the Glacier stockholders or if the Merger is not completed for any other reason, you will not receive any payment for your shares of Glacier common stock, Glacier stock options or minority LLC common units in connection with the Merger. Instead, Glacier will remain an independent company. In certain circumstances, as described under “The Merger Agreement – Termination Fees”, a termination fee of \$7.5 million may be payable by Glacier to Primo or by Primo to Glacier.

**Q: Who is soliciting my consent?**

The board of directors of Glacier is providing these consent solicitation materials to Glacier stockholders, and is soliciting such holders’ consent to adopt and approve the Merger Agreement and the Merger and the other transactions contemplated by the Merger Agreement. These consent solicitation materials also constitute a prospectus with respect to the shares of Primo common stock and the warrants to purchase shares of Primo common stock to be issued to Glacier equityholders in the Merger.

**Q: What am I being asked to approve?**

A:

Glacier stockholders are being asked to adopt and approve the Merger Agreement and the Merger and the other transactions contemplated by the Merger Agreement.

**Q: What will I receive for my shares of Glacier common stock if the Merger is consummated?**

A: At the effective time of the Merger, each share of Glacier common stock (other than any dissenting shares or any shares held by Glacier or any of its subsidiaries) issued and outstanding immediately before the effective time of the Merger will be converted into the right to receive the following approximate consideration, which is referred to as the “Per Share Merger Consideration”:

\$12.17 in cash, which is referred to as the “Per Share Cash Amount;”

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0.87 of a share of Primo common stock, which is referred to as the “Per Share Stock Amount;” and

a warrant to purchase 0.54 of a share of Primo common stock, which is referred to as the “Per Share Warrant Amount;”

all upon the surrender of the certificate representing such share of Glacier common stock or an affidavit with respect thereto.

Receipt of the shares of Primo common stock in connection with the Merger is subject to the escrow provisions described below in the section titled “The Merger Agreement—Escrow” beginning on page 71 of this consent solicitation statement/prospectus. All shares so converted will no longer be outstanding and will automatically be canceled and will cease to exist.

The foregoing Per Share Merger Consideration calculations assume, among other things that, prior to the closing of the Merger (the “Closing Date”), Glacier:

issues approximately 63,000 shares of Glacier common stock to certain Glacier employees as bonus compensation;

incurs approximately \$5.6 million in certain transaction expenses in connection with the Merger; and

does not incur additional indebtedness after October 9, 2016 other than borrowings under its credit agreement.

With respect to the foregoing assumptions, Glacier expects such \$5.6 million of transaction expenses to include: (i) approximately \$2.5 million payable to Glacier’s financial advisor, (ii) approximately \$2.3 million payable as cash bonus compensation to certain Glacier employees, including certain executive officers of Glacier as more fully described in “The Merger—Interests of Glacier Directors and Executive Officers in the Merger” beginning on page 58, (iii) approximately \$0.7 million payable to Glacier’s legal and accounting advisors, and (iv) up to approximately \$0.1 million payable with respect to other transaction expenses. While the Merger Agreement does not expressly limit the amount of such transaction expenses, Glacier does not expect its actual transaction expenses to vary materially from the foregoing assumptions. In addition, since October 9, 2016, Glacier has not incurred any additional indebtedness other than under its credit agreement, and Glacier does not expect to incur any additional indebtedness prior to the closing of the Merger that would reduce the consideration payable to the Glacier equityholders. The Merger Agreement limits Glacier’s ability to incur additional indebtedness other than under its existing credit agreement. For more information, see the section titled “The Merger Agreement – Merger Consideration” beginning on page 69 of this consent solicitation statement/prospectus.

**Q: What will happen to my Glacier stock options (if any) if the Merger is consummated?**

At the effective time of the Merger, each outstanding Glacier stock option will be canceled and each holder of such Glacier stock option will receive, in exchange for such option, upon receipt by Primo of a signed option cancellation agreement and subject to amounts deposited into escrow pursuant to the Merger Agreement and applicable withholding, consideration based on the difference between the value of the Per Share Merger Consideration, excluding the Per Share Warrant Amount, and the per share exercise price of such Glacier stock option, which difference is referred to as the "Option Value." The Option Value will be allocated by treating a holder of Glacier stock options as if the holder owns a number of shares of Glacier common stock determined by multiplying (x) the number of shares of Glacier common stock subject to such option by (y) the quotient obtained by dividing such Option Value by the value of the Per Share Merger Consideration, with the number of shares of Glacier common stock resulting from this allocation referred to as "Option Allocated Shares." Each Option Allocated Share will be converted into the right to receive the Per Share Merger Consideration, as if such Option Allocated Share were a share of Glacier common stock. Receipt of the shares of Primo common stock in connection with the Merger is subject to the escrow provisions described below in the section titled "The Merger Agreement—Escrow" beginning on page 71 of this consent solicitation statement/prospectus.

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**Q: What will happen to my minority LLC common units (if any) if the Merger is consummated?**

A: At the effective time of the Merger, Primo will deliver to Glacier Water Holdings, LLC an amount of Merger consideration that such entity would be entitled to receive if each minority LLC common unit were instead one share of Glacier common stock, and Glacier will cause Glacier Water Holdings, LLC to assign to Glacier all of its right, title and interest in and to the minority LLC common units and for such units to be cancelled and terminated in accordance with the organizational documents of GW Services, LLC. Receipt of the shares of Primo common stock in connection with the Merger is subject to the escrow provisions described below in the section titled “The Merger Agreement—Escrow” beginning on page 71 of this consent solicitation statement/prospectus.

**Q: What are the terms of the warrants to be used as part of the Merger consideration?**

A: The warrants will be issued pursuant to a warrant agreement in the form of and on the terms specified in the form of warrant agreement, a copy of which is attached to this consent solicitation statement/prospectus as Appendix B and is filed as Exhibit 4.1 to the registration statement of which this consent solicitation statement/prospectus forms a part, and is incorporated by reference. The warrants have an exercise price equal to \$11.88 per share of Primo common stock. Approximately one-third of the warrants will vest six months following the Closing Date and an additional one-third will vest on each of nine months and one year following the Closing Date. The warrants will be exercisable until the fifth anniversary of the Closing Date. See “The Warrant Agreement” beginning on page 88 of this consent solicitation statement/prospectus.

**Q: Who is entitled to give a consent?**

A: The Glacier board of directors has set the close of business on October 6, 2016, which is referred to as the “Record Date,” as the record date for determining Glacier stockholders entitled to sign and deliver consents with respect to this consent solicitation. Holders of outstanding shares of Glacier common stock as of the close of business on the Record Date will be entitled to give a consent using the consent furnished with this consent solicitation statement/prospectus.

**Q: How many shares of Glacier common stock were outstanding on the Record Date?**

A: There were 3,316,916 shares of Glacier common stock outstanding at the close of business on October 6, 2016.

**Q: What approval is required to adopt the Merger Agreement?**

A: We cannot complete the Merger unless Glacier stockholders adopt and approve the Merger Agreement and the Merger and the other transactions contemplated by the Merger Agreement. Adoption and approval of the Merger Agreement and the Merger require the approval of the holders of a majority of the outstanding shares of Glacier

common stock entitled to vote thereon. As of the Record Date, there were 3,316,916 shares of Glacier common stock issued and outstanding.

Each of Richard Kayne, Brian McInerney and Charles Norris has entered into voting agreements with Primo with respect to a portion of their shares representing approximately 33.3% of all currently outstanding shares of Glacier common stock. Under the voting agreements, these stockholders have agreed, among other things, to vote the shares of Glacier common stock covered by the voting agreements in favor of adoption and approval of the Merger Agreement and the Merger.

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As of the Record Date, all directors and executive officers of Glacier as a group owned and were entitled to grant consents with respect to an additional 22.0% of the shares of Glacier common stock issued and outstanding on that date. Glacier currently expects that its directors and executive officers will deliver consents in favor of the adoption and approval of the Merger Agreement and the Merger. If they do so, a total of at least 55.3% of the outstanding shares will have been consented to the adoption and approval of the Merger Agreement and the Merger, and both will be approved.

### **Q: What options do I have with respect to the proposed Merger?**

With respect to the shares of Glacier common stock that you hold, you may sign a consent to adopt and approve the Merger Agreement and the Merger and the other transactions contemplated by the Merger Agreement (which is A: equivalent to a vote for the proposal). If you disapprove of the proposal (which is equivalent to a vote against the proposal), you should not sign the consent. If you fail to sign and return your consent, or otherwise withhold your consent or abstain, it has the same effect as voting against the proposal.

### **Q: Can I dissent and require appraisal of my shares?**

If you are a Glacier stockholder who does not approve the Merger by delivering a consent adopting the Merger Agreement, you will, by strictly complying with Section 262 of the DGCL, be entitled to appraisal rights. Section 262 of the DGCL is attached to this consent solicitation statement/prospectus as Appendix F. Failure to follow precisely any of the statutory procedures set forth in Appendix F may result in the loss or waiver of appraisal rights under Delaware law. Delaware law requires that, among other things, you send a demand for appraisal to the A: surviving corporation within 20 days from the date of the mailing of this consent solicitation statement/prospectus. THIS CONSENT SOLICITATION STATEMENT/PROSPECTUS CONSTITUTES SUCH NOTICE AND IS BEING MAILED ON DECEMBER 5, 2016. ACCORDINGLY, YOU MUST DELIVER YOUR APPRAISAL DEMAND BY DECEMBER 25, 2016. See the section titled “The Merger – Appraisal Rights” beginning on page 60 of this consent solicitation statement/prospectus.

### **Q: How can I return my consent?**

If you hold shares of Glacier common stock as of the close of business on the Record Date and you wish to submit your consent, you must fill out the enclosed consent, date and sign it, and promptly return it to Glacier. Once you have completed, dated and signed your consent, deliver it to Glacier by faxing your consent to Glacier, Attention: Secretary, at 760-560-0225, by emailing a .pdf copy of your consent to [steve.stringer@glacierwater.com](mailto:steve.stringer@glacierwater.com) or by A: mailing your consent to Glacier at 1385 Park Center Drive, Vista, California 92081, Attention: Secretary. Glacier does not intend to hold a stockholders’ meeting to consider the approval of the Merger Agreement, and, unless Glacier decides to hold a stockholders’ meeting for such purpose, you will be unable to vote in person by attending a stockholders’ meeting. See the section titled “Solicitation of Consents” beginning on page 45 of this consent solicitation statement/prospectus.





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**Q: What is the deadline for returning my consent?**

A: The Glacier board of directors has set 9:00 a.m., New York City time, on December 7, 2016 as the targeted final date for the receipt of consents. Glacier reserves the right to extend the final date for receipt of consents beyond 9:00 a.m., New York City time, on December 7, 2016, provided that no consent delivered more than 60 days from the earliest dated consent will be effective. Any such extension may be made without notice to Glacier stockholders. Once a sufficient number of consents to adopt and approve the Merger Agreement and the Merger have been received, the consent solicitation will conclude.

**Q: Can I change or revoke my consent?**

A: Yes. If you are a record holder of shares of Glacier common stock at the close of business on the Record Date, you may change or revoke your consent (subject to any contractual obligations you may otherwise have) at any time before the consents of a sufficient number of shares of Glacier common stock to approve and adopt such proposal have been delivered to the Secretary of Glacier. If you wish to change or revoke your consent before that time, you may do so by delivering a notice of revocation to the Secretary of Glacier.

**Q: Do I need to send in my Glacier stock certificates now?**

A: No. You should not send in your Glacier stock certificates now. Prior to the effective time of the Merger, a letter of transmittal will be sent to Glacier stockholders informing them where to deliver their Glacier stock certificates in order to receive their share of the Merger consideration, including any cash in lieu of a fractional share of Primo common stock. You should not send in your Glacier stock certificates prior to receiving the letter of transmittal.

**Q: Is the Merger taxable to me?**

A: The exchange of shares of Glacier common stock for cash, shares of Primo common stock and warrants to purchase shares of Primo common stock pursuant to the Merger is expected to be a taxable transaction for U.S. federal income tax purposes. If you are a U.S. Holder (as defined in the section titled “The Merger—Material U.S. Federal Income Tax Consequences of the Merger” beginning on page 64 of this consent solicitation statement/prospectus) and your shares of Glacier common stock are converted into the right to receive the Merger consideration, you will generally recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between (i) the sum of the amount of any cash received, plus the fair market value (determined as of the Closing Date of the Merger) of any shares of Primo common stock (including such shares held in the Escrow and not released until after the year in which the Closing Date occurs) and warrants to purchase shares of Primo common stock received, and (ii) your adjusted tax basis in your shares of Glacier common stock. You should read the section titled “The Merger—Material U.S. Federal Income Tax Consequences of the Merger” beginning on page 64 of this consent solicitation statement/prospectus for a more detailed discussion of the U.S. federal income tax consequences of the Merger. You should also consult your tax advisor for a complete analysis of the particular tax consequences of the Merger to you, including the applicability and effect of any U.S. federal, state and local and

non-U.S. tax laws.

**Q: When is the Merger expected to be completed?**

Primo and Glacier expect to complete the Merger late in 2016, subject to the satisfaction or waiver of the conditions A: to the Merger contained in the Merger Agreement. However, it is possible that factors outside the control of Primo and Glacier could require Primo and Glacier to complete the Merger at a later time or not complete it at all.

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**Q: Who can help answer my questions?**

If you have any questions about the Merger or how to return your consent, or if you need additional copies of this consent solicitation statement/prospectus or a replacement consent, you should contact Steve Stringer, Secretary of A: Glacier Water Services, Inc. by email at [steve.stringer@glacierwater.com](mailto:steve.stringer@glacierwater.com), by phone at 800-452-2437, by fax at 760-560-0225 or by written correspondence at 1385 Park Center Drive, Vista, California 92081, Attention: Secretary.

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**SUMMARY**

*This summary highlights selected information contained in this consent solicitation statement/prospectus and does not contain all the information that may be important to you. Primo and Glacier urge you to carefully read this consent solicitation statement/prospectus in its entirety, as well as all Appendices. Additional important information is also contained in the documents incorporated by reference into this consent solicitation statement/prospectus; see the section entitled “Where You Can Find Additional Information” beginning on page 148.*

**The Companies**

***Primo Water Corporation***

Primo Water Corporation, a Delaware corporation, which is referred to as “Primo,” is headquartered in Winston-Salem, North Carolina. Primo is a leading provider of multi-gallon purified bottled water, self-service refill water and water dispensers sold through major retailers in the United States and Canada. Primo believes the market for purified water continues to grow due to evolving taste preferences, perceived health benefits and concerns regarding the quality of municipal tap water. Primo’s products provide an environmentally friendly, economical, convenient and healthy solution for consuming purified and filtered water.

Primo’s principal executive offices are located at 101 North Cherry Street, Suite 501, Winston-Salem, North Carolina 27101 and its telephone number is (336) 331-4000. Primo common stock is listed on the Nasdaq Global Market, trading under the symbol “PRMW.”

This consent solicitation statement/prospectus includes important business and financial information about Primo from other documents that are incorporated by reference; see the section entitled “Where You Can Find Additional Information” beginning on page 148.

***Primo Subsidiary, Inc.***

Primo Subsidiary, Inc., a wholly-owned subsidiary of Primo, is a Delaware corporation that was formed on October 5, 2016 solely for the purpose of entering into the Merger Agreement and effecting the Merger and the other transactions

contemplated by the Merger Agreement. Merger Sub has not engaged, and does not expect to engage, in any other business activities.

*Glacier Water Services, Inc.*

Glacier Water Services, Inc. is a Delaware corporation which conducts its operations principally through GW Services, LLC, a California limited liability company, its majority-owned subsidiary. After the transactions referred to under “The Merger Agreement—Certain Other Effects of the Merger” beginning on page 72, GW Services, LLC will be a wholly-owned subsidiary of Glacier Water Services, Inc. Unless the context requires otherwise, both of these companies are referred to collectively as “Glacier.”

Glacier’s principal executive offices are located at 1385 Park Center Drive, Vista, California 92081, and its telephone number is 760-560-1111. Glacier common stock is not traded on an established market but is quoted in the Pink Sheets Electronic Quotation Service under the symbol “GWSV.”

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**The Merger**

Primo and Glacier agreed to the acquisition of Glacier by Primo under the terms of the Merger Agreement described in this consent solicitation statement/prospectus. Pursuant to the Merger Agreement, Merger Sub will merge with and into Glacier, with Glacier continuing as the surviving corporation and a wholly-owned subsidiary of Primo. Primo and Glacier have attached the Merger Agreement as Appendix A to this consent solicitation statement/prospectus. Primo and Glacier encourage you to carefully read the Merger Agreement in its entirety because it is the legal document that governs the Merger.

**Merger Consideration**

Under the Merger Agreement, Primo will pay an aggregate purchase price equal to:

approximately \$263.0 million, consisting of:

approximately \$86.1 million in closing consideration payable to Glacier equityholders, which is allocated as follows, prior to the adjustments described below:

approximately \$49,932,724 (or 58% of such closing consideration) payable in cash; and

approximately \$36,158,180 (or 42% of such closing consideration) payable in shares of Primo common stock; and

in each case, subject to adjustment to the extent Glacier incurs certain transaction expenses or incurs additional debt in excess of its estimated indebtedness as of the date of the Merger Agreement other than debt under its credit agreement; and

approximately \$177.0 million of net indebtedness and preferred interests being assumed (\$81.0 million) and/or retired (\$96.0 million) by Primo (the "Assumed Debt"), and

warrants to purchase 2.0 million shares of Primo common stock at an exercise price equal to \$11.88 per share of Primo common stock.

The exact cash consideration payable to each Glacier equityholder will be calculated by reducing \$49,932,724 by the amounts of the Transaction Expense Exclusion, the Transaction Expenses and any Company Debt (as defined in the Merger Agreement) (other than Assumed Debt) which, in the aggregate, the parties estimate will equal approximately \$5.6 million. In addition, the exact consideration payable to each Glacier equityholder in shares of Primo common stock will be calculated by adding to \$36,158,180 the Transaction Expense Exclusion, which the parties estimate will equal approximately \$1.65 million, and dividing such resulting amount by \$11.88 and then further dividing the resulting amount by the number of shares of Fully-Diluted Company Stock (as defined in the Merger Agreement) outstanding immediately prior to the effective time of the Merger. The exact consideration payable to each Glacier equityholder in warrants will be calculated by dividing 2.0 million by the number of Fully-Diluted Company Stock outstanding immediately prior to the effective time of the Merger.

The warrants have an exercise price equal to \$11.88 per share of Primo common stock. Approximately one-third of the warrants will vest six months following the Closing Date and an additional one-third will vest on each of nine months and one year following the Closing Date. The warrants will be exercisable until the fifth anniversary of the Closing Date.

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Primo will not issue fractional shares of Primo common stock in the Merger. As a result, Glacier equityholders will receive cash for any fractional share of Primo common stock that they would otherwise be entitled to receive in the Merger. After the Merger is completed, Glacier equityholders will have only the right to receive the Merger consideration, any cash in lieu of fractional shares of Primo common stock, and any dividends or other distributions with respect to the shares of Primo common stock and with a record date occurring after the effective time of the Merger or, in the case of Glacier stockholders that properly exercise and perfect appraisal rights, the right to receive the fair market value for such shares, and will no longer have any rights as Glacier equityholders, including voting or other rights.

Receipt of the shares of Primo common stock in connection with the Merger is subject to the escrow provisions described below in the section titled “The Merger Agreement—Escrow” beginning on page 71 of this consent solicitation statement/prospectus.

For a more complete description of the Merger consideration, see the section titled “The Merger Agreement – Merger Consideration” beginning on page 69 of this consent solicitation statement/prospectus.

**Per Share Merger Consideration**

The aggregate Merger consideration will be allocated among the Glacier equityholders.

At the effective time of the Merger, each share of Glacier common stock (other than any dissenting shares or any shares held by Glacier or any of its subsidiaries) issued and outstanding immediately before the effective time of the Merger will be converted into the right to receive the Per Share Cash Amount, the Per Share Stock Amount and the Per Share Warrant Amount. Assuming, among other things that, prior to the Closing of the Merger, Glacier (a) issues approximately 63,000 shares of Glacier common stock to certain Glacier employees as bonus compensation, (b) incurs approximately \$5.6 million in certain transaction expenses in connection with the Merger and (c) does not incur additional indebtedness after October 9, 2016 other than borrowings under its credit agreement, each share of Glacier common stock would be converted into the right to receive approximately:

\$12.17 in cash;

0.87 of a share of Primo common stock; and

a warrant to purchase 0.54 of a share of Primo common stock.



With respect to the foregoing assumptions, Glacier expects such \$5.6 million of transaction expenses to include: (i) approximately \$2.5 million payable to Glacier's financial advisor, (ii) approximately \$2.3 million payable as cash bonus compensation to certain Glacier employees, including certain executive officers of Glacier as more fully described in "The Merger—Interests of Glacier Directors and Executive Officers in the Merger" beginning on page 58, (iii) approximately \$0.7 million payable to Glacier's legal and accounting advisors, and (iv) up to approximately \$0.1 million payable with respect to other transaction expenses. While the Merger Agreement does not expressly limit the amount of such transaction expenses, Glacier does not expect its actual transaction expenses to vary materially from the foregoing assumptions. In addition, since October 9, 2016, Glacier has not incurred any additional indebtedness other than under its credit agreement, and Glacier does not expect to incur any additional indebtedness prior to the closing of the Merger that would reduce the consideration payable to the Glacier equityholders. The Merger Agreement limits Glacier's ability to incur additional indebtedness other than under its existing credit agreement. In addition, receipt of the shares of Primo common stock in connection with the Merger is subject to the escrow provisions described below in the section titled "The Merger Agreement—Escrow" beginning on page 71 of this consent solicitation statement/prospectus.

For a more complete description of the per share Merger consideration, see the section titled "The Merger Agreement—Per Share Merger Consideration" beginning on page 70 of this consent solicitation statement/prospectus.

#### **Treatment of Glacier Stock Options and Minority LLC Common Units**

At the effective time of the Merger, each outstanding Glacier stock option will be canceled and each holder of Glacier stock options will receive, in exchange for such options, upon receipt by Primo of a duly signed option cancellation agreement and subject to amounts deposited into escrow pursuant to the Merger Agreement and applicable withholding, consideration based on the difference between the value of the Per Share Merger Consideration, excluding the Per Share Warrant Amount, and the per share exercise price of such Glacier stock option, which difference is referred to as the "Option Value."

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The Option Value will be allocated by treating a holder of Glacier stock options as if the holder owns a number of shares of Glacier common stock determined by multiplying (x) the number of shares of Glacier common stock subject to such option by (y) the quotient obtained by dividing such Option Value by the value of the Per Share Merger Consideration, with the number of shares of Glacier common stock resulting from this allocation referred to as “Option Allocated Shares.” Each Option Allocated Share will be converted into the right to receive the Per Share Merger Consideration, as if such Option Allocated Share were a share of Glacier common stock. As of the effective time of the Merger, the Glacier option holders will cease to have any further right or entitlement to acquire any Glacier stock or any shares of capital stock of Primo or the surviving corporation under the cancelled or terminated stock options.

At the effective time of the Merger, Primo will deliver to Glacier Water Holdings, LLC consideration that such entity would be entitled to receive if each minority LLC common unit were instead one share of Glacier common stock, subject to amounts deposited into escrow pursuant to the Merger Agreement, and Glacier will cause the minority LLC common units to be cancelled and terminated in accordance with the organizational documents of GW Services, LLC.

## **Escrow**

Primo will withhold from Glacier equityholders (on a pro rata basis according to their respective interests therein) and deliver to the escrow agent 71% of the stock consideration payable to each such Glacier equityholder, to be held and distributed by the escrow agent pursuant to the terms of the Merger Agreement and the escrow agreement. Subject to any claims for indemnification, the escrow will be released to the stockholder representative, on behalf of and for distribution to the Glacier equityholders, as follows: twenty-five percent (25%) of the escrow will be released on the date that is six (6) months following the Closing Date; an additional twenty-five percent (25%) will be released on the date that is nine (9) months following the Closing Date, and the remaining fifty percent (50%) will be released on the “Final Escrow Release Date”, which means (i) if the Closing Date is on or prior to December 31, 2016, the date that is the first anniversary of the Closing Date or (ii) if the Closing Date is after December 31, 2016, the date that is thirty (30) days following the completion of an independent audit of Primo and its subsidiaries on a consolidated basis following the Merger for the fiscal year ending December 31, 2017. For more information, see the section titled “The Merger Agreement—Escrow” beginning on page 71 of this consent solicitation statement/prospectus.

## **Certain Other Effects of the Merger**

At the closing, concurrent with the effective time of the Merger, the following additional events will occur:

the LLC common units of GW Services, LLC held by Glacier or any other subsidiaries of Glacier will remain outstanding at and immediately following the effective time of the Merger and without any consideration or other

payment to Glacier or any other affiliate of Glacier therefor;

Glacier will cause its subsidiary GW Services, LLC to acquire all outstanding preferred interests of such subsidiary in consideration for the payment of 135% of the principal amount of such preferred interests (not to exceed \$39.2 million) and any accrued but unpaid preferred return on such interests, and Primo will fund the acquisition of these interests;

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Glacier will redeem its Series B Junior Subordinated Debentures in an aggregate principal amount of \$12.5 million in accordance with their terms, and Primo will fund such redemption, and if any Series B Junior Subordinated Debentures have been converted prior to the closing into Trust Preferred Securities of Glacier Water Trust I, such Trust Preferred Securities will be repurchased at their principal amounts; and

Primo will, on behalf of GW Services, LLC, pay all amounts required to repay in full the indebtedness of GW Services, LLC under its Amended and Restated Credit Agreement with City National Bank.

### **Exchange Procedures for Shares of Glacier Common Stock**

As soon as practicable after the effective time of the Merger, Primo will cause its transfer agent, Wells Fargo Shareowner Services, which will serve as its exchange agent, to distribute to the record holders of shares of Glacier common stock a form of letter of transmittal and instructions, each in substantially the form attached to the Merger Agreement. Upon surrender of a certificate or certificates representing any shares of Glacier common stock held of record by such holder to the exchange agent, together with a properly signed letter of transmittal and such other documents as may reasonably be required by the exchange agent, the exchange agent will deliver to the holder of such certificate or certificates in exchange, subject to the shares of Primo common stock deposited into escrow pursuant to the terms of the Merger Agreement and escrow agreement, (a) one or more shares of Primo common stock (which will be in uncertificated book-entry form unless a physical certificate is requested) such holder has the right to receive (subject to the escrow provisions), (b) a check for the portion of the cash consideration such holder has the right to receive and cash in lieu of any fractional shares of Primo common stock, and (c) warrants to purchase shares of Primo common stock representing the aggregate Per Share Warrant Amount that such holder has the right to receive. No interest will be paid or will accrue on any cash payable to such holder. Primo will be entitled to deduct and withhold from the aggregate Merger consideration otherwise payable to such holder such amounts as it is required to deduct and withhold with respect to making required tax payments. For more information, see the section titled “The Merger Agreement—Exchange Procedures for Shares of Glacier Common Stock” beginning on page 72 of this consent solicitation statement/prospectus.

### **Ownership of Primo Following the Merger**

The Glacier equityholders will own in the aggregate approximately 10.9% of the outstanding shares of Primo common stock immediately following consummation of the Merger. For more information, see the section titled “The Merger—Ownership of Primo Following the Merger” beginning on page 54 of this consent solicitation statement/prospectus.

### **Debt Financing of the Merger**

On October 11, 2016, Primo entered into a commitment letter with Goldman Sachs Bank USA (“Goldman”), in which Goldman committed to lend Primo up to \$186.0 million in term loans and to provide a \$10.0 million revolving credit facility (the “Commitment Letter”). Primo plans to use the proceeds of the term loans to:

pay the cash portion of the Merger consideration;

repay the outstanding principal amount and accrued interest under Glacier’s Amended and Restated Credit Agreement with City National Bank;

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pay for GW Services, LLC to acquire all of its outstanding preferred interests and pay the outstanding preferred return on such preferred interests as provided under their terms;

pay for Glacier to redeem its Series B Junior Subordinated Debentures in an aggregate principal amount of up to \$12.5 million, plus accrued interest, in accordance with their terms; and

pay transaction-related fees and expenses.

For more information, see the section titled “Description of the Debt Financing” beginning on page 93 of this consent solicitation statement/prospectus.

**Risk Factors**

In evaluating the Merger Agreement and the Merger, you should carefully read this consent solicitation statement/prospectus and especially consider the factors discussed in the section titled “Risk Factors” beginning on page 30 of this consent solicitation statement/prospectus.

**Record Date; Glacier Stockholders Entitled to Consent**

The Glacier board of directors has set the close of business on October 6, 2016 as the Record Date for determining the Glacier stockholders entitled to sign and deliver consents with respect to this consent solicitation.

Only Glacier stockholders of record holding shares of Glacier common stock as of the close of business on the Record Date are entitled to sign and deliver consents with respect to the adoption and approval of the Merger Agreement and the Merger. As of the close of business on the Record Date, there were 3,316,916 shares of Glacier common stock outstanding and entitled to sign and deliver consents with respect to the adoption and approval of the Merger Agreement and the Merger. Each share of Glacier common stock is entitled to one vote. You are urged to return a completed, dated and signed consent by 9:00 a.m., New York City time, on December 7, 2016.

**Consents; Required Consents**

Adoption and approval of the Merger Agreement and the Merger require the consent of the holders of a majority of the outstanding shares of Glacier common stock entitled to vote thereon.

Each of Richard Kayne, Brian McInerney and Charles Norris, who currently serve as directors of Glacier, has entered into voting agreements with Primo with respect to a portion of their shares representing approximately 33.3% of all currently outstanding shares of Glacier common stock. Under the voting agreements, such stockholders have agreed, among other things, to deliver consents with respect to the shares covered by the voting agreements in favor of the Merger Agreement and the Merger.

As of the Record Date, all directors and executive officers of Glacier as a group owned and were entitled to grant consents with respect to an additional 728,722 shares of Glacier common stock, or approximately 22.0% of the issued and outstanding shares of Glacier common stock on that date. Glacier currently expects that its directors and executive officers will deliver consents in favor of the adoption and approval of the Merger Agreement and the Merger. If they do so, a total of at least 55.3% of the outstanding shares of Glacier common stock will have consented to the adoption and approval of the Merger Agreement and the Merger, and both will be approved.

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**Submission of Consents**

If you hold shares of Glacier common stock as of the close of business on the Record Date and you wish to submit your consent, you must fill out the enclosed consent, date and sign it, and promptly return it to Glacier. Once you have completed, dated and signed your consent, deliver it to Glacier by faxing your consent to Glacier, Attention: Secretary, at 760-560-0225, by emailing a .pdf copy of your consent to [steve.stringer@glacierwater.com](mailto:steve.stringer@glacierwater.com) or by mailing your consent to Glacier at 1385 Park Center Drive, Vista, California 92081, Attention: Secretary. Glacier does not intend to hold a stockholders' meeting to consider the adoption and approval of the Merger Agreement and the Merger, and, unless Glacier decides to hold a stockholders' meeting for such purpose, you will be unable to vote in person by attending a stockholders' meeting. See the section titled "Solicitation of Consents" beginning on page 45 of this consent solicitation statement/prospectus.

The Glacier board of directors has set 9:00 a.m., New York City time, on December 7, 2016 as the targeted final date for the receipt of consents. Glacier reserves the right to extend the final date for receipt of consents beyond 9:00 a.m., New York City time, on December 7, 2016, but no later than the date that is 60 days after the date of the receipt of the first consent. Any such extension may be made without notice to Glacier stockholders. Once a sufficient number of consents to adopt and approve the Merger Agreement and the Merger have been received, the consent solicitation will conclude.

**Signing Consents; Revocation of Consents**

If you are a record holder of shares of Glacier common stock at the close of business on the Record Date, you may change or revoke your consent (subject to any contractual obligations you may otherwise have) at any time before the consents of a sufficient number of shares to approve and adopt the Merger Agreement and the Merger have been delivered to the Secretary of Glacier. If you wish to change or revoke your consent before that time, you may do so by delivering a notice of revocation to the Secretary of Glacier.

**Solicitation**

The board of directors of Glacier is soliciting consents by sending this consent solicitation statement/prospectus to Glacier stockholders. Glacier does not expect to solicit consents in any other manner or to incur solicitation fees or other solicitation expenses.



**Primo's Reasons for the Merger**

The Primo board of directors has unanimously approved and declared advisable the Merger and the Merger Agreement. The Primo board of directors reviewed several factors in reaching its decision to approve the Merger and the Merger Agreement and believes that the Merger is advisable and fair to and in the best interests of Primo and its stockholders. For more information, see the section titled "The Merger—Primo's Reasons for the Merger" beginning on page 55 of this consent solicitation statement/prospectus.

**Glacier's Reasons for the Merger; Recommendation of the Glacier Board of Directors**

The Glacier board of directors has unanimously approved the Merger and the Merger Agreement, has concluded that the Merger is advisable and fair to and in the best interest of Glacier and its stockholders and is recommending that Glacier's stockholders adopt and approve the Merger Agreement and the Merger. In doing so, it has relied on several factors, including the fact that the Merger provides liquidity to the Glacier stockholders. For more information, see "The Merger—Glacier's Reasons for the Merger; Recommendation of the Glacier Board of Directors" beginning on page 57 of this consent solicitation statement/prospectus.

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### **Voting Agreements**

Concurrently with the execution of the Merger Agreement, Primo entered into voting agreements with each of Richard Kayne, Brian McInerney and Charles Norris, who currently serve as directors of Glacier, with respect to 1,105,639 shares of Glacier common stock, or approximately 33.3% of all currently outstanding shares of Glacier common stock, each of which is attached as Appendix C to this consent solicitation statement/prospectus. Pursuant to the terms of the voting agreements, each of Mr. Kayne, Mr. McInerney and Mr. Norris agreed, among other things, to vote the shares covered by the voting agreements in favor of adoption and approval of the Merger Agreement and the Merger. For more information, see the section titled “The Voting Agreements” beginning on page 90 of this consent solicitation statement/prospectus.

### **Lock-up Agreements**

Concurrently with the closing of the Merger, Primo will enter into lock-up agreements, the form of which is attached to this consent solicitation statement/prospectus as Appendix E, with each of the Principal Stockholders with respect to the shares of Primo common stock received by each Principal Stockholder pursuant to the Merger Agreement. The lock-up agreements provide that the Principal Stockholders receiving shares of Primo common stock pursuant to the Merger Agreement will not transfer such shares during the period beginning on the Closing Date and ending on the earlier of the date that (a) is 365 days following the Closing Date and (b) Primo consummates a liquidation, merger, stock exchange or other similar transaction that results in all of the holders of Primo common stock having the right to exchange their shares for cash, securities or other property. Notwithstanding the foregoing, (x) on the date that is 180 days following the date of the lock-up agreement, the stockholder may transfer up to one-third (1/3) of the shares subject to the lock-up agreement and (y) on the date that is 270 days following the date of the lock-up agreement, the stockholder may transfer an additional one-third (1/3) of the shares subject to the lock-up agreement, in each case, to the extent such shares are not then subject to the escrow described under “The Merger Agreement—Escrow” beginning on page 71 of this consent solicitation statement/prospectus. For more information, see the section titled “Lock-up Agreements” beginning on page 91 of this consent solicitation statement/prospectus.

### **Interests of Glacier Directors and Executive Officers in the Merger**

Glacier’s directors and executive officers own a total of approximately 55.3% of the outstanding shares of Glacier common stock and have the right to receive the Merger consideration with respect to those shares.

In addition, Richard Kayne and Peter Neuwirth, two of Glacier’s directors are members of Glacier Water Holdings, LLC, the holder of the minority LLC common units, and own 48.6% and 3.5%, respectively of the interests in that

entity. As such, they will receive, indirectly, a total of approximately 52% of the amounts payable on account of the following transactions, each of which will happen concurrently with the Merger:

the purchase by Primo of the 214,129 minority LLC common units for per unit consideration equal to the Merger consideration to be paid for each share of Glacier common stock, and

the acquisition by Glacier, with funds provided by Primo, of \$29.0 million of preferred interests in GW Services, LLC, in consideration of the payment of 135% of the principal amount thereof (or a total of approximately \$39.2 million), plus the accrued preferred return thereon.

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Moreover, Mr. Kayne, Mr. Neuwirth, Mr. Norris, William Bell, and Heidi Yodowitz, each a director of Glacier, own \$3,166,650, \$125,000, \$468,750, \$25,000 and \$25,000, respectively, of principal amount of Glacier's Series B Junior Subordinated Debentures, which will also be redeemed concurrently with the Merger. For more information, see the section titled "The Merger—Interests of Glacier Directors and Executive Officers in the Merger" beginning on page 58 of this consent solicitation statement/prospectus.

Glacier intends to pay transaction bonuses to the following Glacier executive officers in the following amounts: (i) to Brian McInerney, Chief Executive Officer of Glacier, \$880,000 in cash and 48,696 shares of Glacier common stock and (ii) to Steve Stringer, Chief Financial Officer of Glacier, \$500,000 in cash.

Primo has agreed, if the Merger is consummated, to use reasonable best efforts to cause its Board of Directors to appoint Charles Norris, the Chairman of the Board of Glacier, as a member of Class III of Primo's board of directors for a term that would expire in 2019.

On October 9, 2016, concurrently with the execution of the Merger Agreement, Primo and Brian H. McInerney, Glacier's President and Chief Executive Officer, signed an Employment Agreement (the "Employment Agreement"), effective as of and conditioned upon the closing of the Merger, whereby Mr. McInerney will be appointed Executive Vice President of Primo and President of Primo's self-service refill drinking water business in the United States and Canada. Mr. McInerney will receive an annual base salary of \$412,000, with a target bonus equal to 50% of his base salary. The Employment Agreement also provides Mr. McInerney the right to participate in Primo's Value Creation Plan and the right to receive at least 3.5% of the bonus pool awarded to all participants under the Value Creation Plan beginning in fiscal year 2017. Additionally, when the Employment Agreement becomes effective, Mr. McInerney will be granted a long term incentive equity award under Primo's 2010 Omnibus Long-Term Incentive Plan in the form of a stock option to purchase 50,000 shares of Primo common stock, which will vest in four equal annual installments. The material terms of the Employment Agreement were negotiated after Primo and Glacier agreed in principle on the aggregate Merger consideration payable to Glacier equityholders in connection with the Merger. A copy of the Employment Agreement is attached to this consent solicitation statement/prospectus as [Appendix D](#) and is filed as Exhibit 10.4 to the registration statement of which this consent solicitation statement/prospectus forms a part, and is incorporated herein by reference.

Primo entered into voting agreements with each of Glacier directors Richard Kayne, Brian McInerney and Charles Norris with respect to a portion of their shares representing approximately 33.3% of all currently outstanding shares of Glacier common stock, each of which is attached as [Appendix C](#) to this consent solicitation statement/prospectus. In addition, concurrently with the closing of the Merger, each of the Glacier directors will enter into lock-up agreements with Primo, the form of which is attached to this consent solicitation statement/prospectus as [Appendix E](#).

For more information, see the section titled “The Merger—Interests of Glacier Directors and Executive Officers in the Merger” beginning on page 58 of this consent solicitation statement/prospectus.

### **Expected Timing of the Merger**

Primo and Glacier currently expect the closing of the Merger to occur late in 2016. However, the Merger is subject to the satisfaction or waiver of certain conditions as described in the Merger Agreement, and it is possible that factors outside the control of Primo and Glacier could result in the Merger being completed at a later time or not at all.

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**Conditions to Completion of the Merger**

The obligations of the parties to complete the Merger are conditioned upon satisfaction or waiver, on or prior to the Closing Date, of a number of customary conditions, including, among others:

receipt of the requisite Glacier stockholder approval;

absence of any action or proceeding before a court or other governmental body or by any public authority, or any claim, to restrain or prohibit any of the transactions contemplated by the Merger Agreement;

since the date of the Merger Agreement, absence of any event, fact, change, condition, circumstance or other development that has occurred or that has had, or could reasonably be expected to have, individually or in the aggregate, a material adverse effect on the other party or its subsidiaries;

effectiveness of the registration statement of which this consent solicitation statement/prospectus is a part and the absence of a stop order or proceedings threatened or initiated by the SEC for that purpose;

the accuracy of the representations and warranties made in the Merger Agreement by Primo or Glacier, as applicable, subject to certain materiality thresholds;

each party having performed, in all material respects, all agreements required to be performed by it under the Merger Agreement on or before the Closing Date; and

receipt of all governmental authority consents and approvals, if any, necessary to permit the consummation of the transactions contemplated by the Merger Agreement.

Neither Primo nor Glacier can give any assurance that all of the conditions to the Merger will either be satisfied or waived or when or if the Merger will occur. For more information, see the section titled “The Merger Agreement – Conditions to Completion of the Merger” beginning on page 81 of this consent solicitation statement/prospectus.

**Termination of the Merger Agreement**

Primo and Glacier may mutually agree to terminate the Merger Agreement at any time. In addition, either Primo or Glacier may terminate the Merger Agreement if:

the Merger is not completed by June 30, 2017;

the other party breaches in any material respect any representation, warranty, covenant or agreement contained in the Merger Agreement and, if curable, fails to cure the breach within ten days after written notice; or

any court or other governmental instrumentality of competent jurisdiction issues an order or takes any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by the Merger Agreement.

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Primo may terminate the Merger Agreement if:

the requisite Glacier stockholder consents are not delivered on the third business day following the date on which this registration statement is declared effective by the SEC;

the board of directors of Glacier fails to make the Company Recommendation (as defined in the Merger Agreement) or makes a Change of Recommendation (as defined in the Merger Agreement), or approves, recommends or endorses an Acquisition Proposal (as defined in the Merger Agreement) or resolves or publicly proposes to do the foregoing;

Glacier fails to publicly reaffirm the Company Recommendation upon written request of Primo within ten business days of the request;

prior to the time the requisite Glacier stockholder approval is obtained, Glacier provides Primo with notice of intent to terminate the Merger Agreement or effect a Change of Recommendation; or

Glacier fails or is deemed to have failed to comply with its non-solicitation and certain other obligations under the Merger Agreement.

Glacier may terminate the Merger Agreement if:

at any time prior to obtaining the stockholder consent:

the board of directors of Glacier authorizes Glacier to enter into definitive transaction documentation providing for a Superior Proposal (as defined in the Merger Agreement);

substantially concurrently with the termination of the Merger Agreement, Glacier enters into an Alternative Acquisition Agreement with respect to such Superior Proposal;

immediately prior to or substantially concurrently with, and as a condition to, such termination, Glacier pays to Primo any fees required pursuant to the Merger Agreement; and

Glacier has not breached, and is not deemed to have breached, its non-solicitation and certain other obligations under the Merger Agreement; or



the conditions to closing are satisfied or waived, and Primo has not, within five business days after the date on which all such conditions will have been satisfied or waived, deposited with the exchange agent, at or prior to the closing, the Merger consideration in accordance with the terms of the Merger Agreement (provided that if such failure to deposit the Merger consideration is caused by or otherwise related to Primo's failure to receive the proceeds of the financing, then Glacier may terminate the Merger Agreement in this manner only if Primo has not obtained alternative financing within 90 days after the date on which all such conditions have been satisfied or waived).

### **Termination Fees**

Glacier will be obligated to pay Primo a termination fee of \$7.5 million in the event that the Merger Agreement is terminated:

by Primo because (i) of Glacier's willful breach in any material respect of any representation, warranty, covenant or agreement contained in the Merger Agreement and, if curable, Glacier fails to cure the same after 10 days written notice; (ii) any person has made a bona fide Acquisition Proposal prior to such termination; and (iii) within 12 months after such termination, Glacier enters into an agreement with respect to any Acquisition Proposal or completed any Acquisition Proposal, provided that for purposes of the foregoing, references to "20%" in the definition of Acquisition Proposal shall be deemed to be references to "50%";

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by Primo because the requisite Glacier stockholder consent is not delivered when due;

by Glacier because prior to the time the requisite Glacier stockholder consent is obtained Glacier enters into an Alternative Acquisition Agreement with respect to a Superior Proposal; or

by Primo because Glacier takes certain actions with respect to a Company Recommendation or a Change of Recommendation or fails to comply with its non-solicitation and certain other obligations under the Merger Agreement.

Primo will be obligated to pay Glacier a termination fee of \$7.5 million in the event that Glacier terminates the Merger Agreement because the conditions to its completion of the Merger have been satisfied or waived and Primo has not, within five business days after all such conditions will have been satisfied or waived, deposited with the exchange agent at or prior to the closing the Merger consideration (provided that if such failure is caused by or otherwise related to Primo's failure to receive the proceeds of the financing, then Glacier may terminate the Merger Agreement only if Primo has not obtained alternative financing within 90 days after the date on which all such conditions have been satisfied or waived).

## **Accounting Treatment**

Primo and Glacier prepare their financial statements in accordance with GAAP. The Merger will be accounted for in accordance with FASB ASC Topic 805, Business Combinations, with Primo considered as the accounting acquirer and Glacier as the accounting acquiree. Accordingly, consideration to be given by Primo to complete the Merger with Glacier will be allocated to assets and liabilities of Glacier based on their estimated fair values as of the completion date of the Merger, with any excess Merger consideration being recorded as goodwill.

## **Appraisal Rights**

Under Delaware law, Glacier stockholders are entitled to appraisal rights in connection with the Merger, with respect to shares of Glacier common stock, in lieu of the Merger consideration offered by Primo.

If you comply with the requirements of Section 262 of the DGCL, you will have the right under Delaware law to receive, in lieu of the Merger consideration, the fair value of your shares of Glacier common stock as determined by the Delaware Court of Chancery. Section 262 of the DGCL is attached to this consent solicitation statement/prospectus as Appendix E. The amount determined by the Delaware Court of Chancery to be the fair value of Glacier common stock as of the effective time of the Merger could be more than, the same as or less than the

Merger consideration a stockholder would be entitled to receive under the terms of the Merger Agreement. Your appraisal rights are subject to a number of restrictions and technical requirements. Generally, in order to demand and perfect your appraisal rights, you must comply with the procedures set forth in Section 262, including but not limited to the following:

you must submit your demand for appraisal that complies with the applicable statutory requirements within 20 days of the date of the mailing of this notice of appraisal rights;

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you must not consent to the Merger;

you must continue to hold your shares of Glacier common stock through the effective time of the Merger;

if the Merger Agreement is adopted and the Merger is approved by the consent of Glacier stockholders, you must not exchange your shares of Glacier common stock for payment of the Merger consideration; and

within 120 days after the effective time of the Merger, you must file a petition in the Court of Chancery of the State of Delaware, requesting a determination of the fair market value of your shares of Glacier common stock as of the effective time of the Merger.

Merely withholding your consent to the Merger will not perfect your appraisal rights. Any demands delivered prior to the mailing of this consent solicitation statement/prospectus will not be treated by Glacier as satisfying the demand requirement. If you delivered to Glacier a written demand for appraisal of your shares prior to the mailing of this consent solicitation statement/prospectus (including prior to the date of the Merger Agreement), you must again demand appraisal for your shares to perfect your appraisal rights. Requirements under Delaware law for exercising appraisal rights are described in further detail under “The Merger—Appraisal Rights beginning on page 60 of this consent solicitation statement/prospectus. If you wish to avail yourself of your appraisal rights, you should consider consulting your legal advisor.

## **Comparison of Rights of Stockholders**

The rights of Primo stockholders are governed by Primo’s sixth amended and restated certificate of incorporation, which we refer to as the “Primo charter,” by Primo’s amended and restated bylaws, which we refer to as “Primo’s bylaws,” and by the DGCL. The rights of Glacier stockholders are governed by Glacier’s certificate of incorporation, which we refer to as “Glacier’s charter,” by Glacier’s bylaws, which we refer to as “Glacier’s bylaws,” and by the DGCL. The rights of Primo’s stockholders are different in some respects from the rights of Glacier’s stockholders. Therefore, Glacier stockholders will have different rights once they become Primo stockholders. These differences are described in detail under the section titled “Comparison of Rights of Stockholders” beginning on page 139 of this consent solicitation statement/prospectus.

## **Listing of Primo Common Stock**

Shares of Primo common stock are listed on the Nasdaq Global Market under the symbol “PRMW.” Primo intends to submit a supplemental listing application to list on the Nasdaq Global Market the shares of Primo common stock and

the shares of Primo common stock underlying the warrants that Primo will issue in the Merger as part of the Merger consideration. Primo has agreed to use its reasonable efforts to submit such supplemental listing application as a condition to completion of the Merger. The warrants to purchase shares of Primo common stock will not be listed on the Nasdaq Global Market or any other exchange.

### **Material United States Federal Income Tax Consequences of the Merger**

The exchange of shares of Glacier common stock for cash, shares of Primo common stock and warrants to purchase shares of Primo common stock pursuant to the Merger is expected to be a taxable transaction for U.S. federal income tax purposes. For U.S. federal income tax purposes, if you are a U.S. Holder (as defined in “The Merger—Material U.S. Federal Income Tax Consequences of the Merger” beginning on page 64 of this consent solicitation statement/prospectus), generally you will recognize capital gain or loss as a result of the Merger measured by the difference, if any, between the fair market value of the Merger consideration and your adjusted tax basis in your shares of Glacier common stock exchanged for the Merger consideration.

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You should read the section titled “The Merger—Material U.S. Federal Income Tax Consequences of the Merger” beginning on page 64 of this consent solicitation statement/prospectus for a more complete discussion of the U.S. federal income tax consequences of the Merger. **Tax matters can be complicated, and the tax consequences of the Merger to you will depend on your particular tax circumstances. Primo and Glacier urge you to consult your tax advisor to determine the tax consequences of the Merger to you.**

Table Of Contents**Comparative Market Price and Dividend Matters**

Primo common stock is listed on the Nasdaq Global Market under the symbol “PRMW,” and Glacier common stock is not listed on an exchange but is quoted in the Pink Sheets Electronic Quotation Service under the symbol “GWSV.” The following table sets forth the closing price per share of Primo common stock and of Glacier common stock as of October 7, 2016, the last trading day prior to the public announcement of the Merger, and December 2, 2016, the most recent practicable trading day prior to the filing of this consent solicitation statement/prospectus. The table also shows the implied value of the Merger consideration for each share of Glacier common stock as of the same two dates. This implied value was calculated by adding (1) the estimated Per Share Cash Amount of \$12.17 and (2) the product of the estimated exchange ratio of 0.87 multiplied by the closing price of Primo common stock on such date, in each case, assuming that, prior to the Closing of the Merger, Glacier (x) issues approximately 63,000 shares of Glacier common stock to certain Glacier employees as bonus compensation, (y) incurs approximately \$5.6 million in transaction expenses related to the Merger and (z) does not incur additional indebtedness after October 9, 2016 other than borrowings under its credit agreement. This implied value also excludes the value associated with the warrants to purchase shares of Primo common stock to be issued in connection with the Merger.

	<b>Primo Common Stock</b>	<b>Glacier Common Stock</b>	<b>Estimated Implied Per Share Value of Merger Consideration</b>
October 7, 2016	\$ 11.85	\$ 11.00	\$ 22.48
December 2, 2016	\$ 12.46	\$ 22.45	\$ 23.01

The market prices of shares of Primo common stock and Glacier common stock have fluctuated since the date of the announcement of the Merger and will continue to fluctuate from the date of this consent solicitation statement/prospectus to the date the Merger is completed, and the market price of shares of Primo common stock after the Merger will continue to fluctuate after the completion of the Merger. No assurance can be given concerning the market prices of Primo common stock or Glacier common stock before the completion of the Merger or Primo common stock after the completion of the Merger. Accordingly, Glacier stockholders are advised to obtain current stock price quotations for Primo common stock and Glacier common stock when considering whether to consent to adoption of the Merger Agreement.

Table Of Contents**Comparative Historical and Unaudited Pro Forma Per Share Data**

The following table sets forth for the periods presented certain historical per share data for Primo common stock and Glacier common stock on a historical basis and on an unaudited pro forma and pro forma equivalent bases after giving effect to the Merger under the acquisition method of accounting. The historical per share data of Primo and Glacier has been derived from, and should be read in conjunction with, the historical financial statements of Primo incorporated by reference into this consent solicitation statement/prospectus and the historical financial statements of Glacier and notes thereto included elsewhere in this consent solicitation statement/prospectus. The unaudited pro forma per share data has been derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial information provided in the section titled “Unaudited Pro Forma Condensed Combined Financial Statements” beginning on page 95 of this consent solicitation statement/prospectus. The unaudited pro forma and pro forma equivalent income and dividend per share data for the nine months ended September 30, 2016 were prepared based on the unaudited condensed consolidated financial statements of Primo for the nine month period ended September 30, 2016 and the unaudited consolidated financial statements of Glacier for the nine month period ended October 2, 2016. The unaudited pro forma and pro forma equivalent income and dividend per share data for the year ended December 31, 2015 were prepared based on the audited consolidated financial statements of Primo for the year ended December 31, 2015 and on the audited consolidated financial statements of Glacier for the year ended January 3, 2016. The pro forma and pro forma equivalent net book value per share reflect the Merger as if it had been effective on September 30, 2016 and were prepared based on the unaudited condensed consolidated balance sheet of Primo as of September 30, 2016 and the unaudited consolidated balance sheet of Glacier as of October 2, 2016.

The unaudited pro forma equivalent data of Glacier was calculated by multiplying the corresponding unaudited pro forma consolidated data of Primo by the exchange ratio of 0.87, as detailed in the section titled “The Merger—Effect of the Merger; Merger Consideration” beginning on page 49 of this consent solicitation statement/prospectus. These computations exclude the benefit to Glacier equityholders from receiving the cash portion of the Merger consideration. The exchange ratio is fixed in the Merger Agreement, but the market price of Primo’s common stock (and therefore the value of the Merger consideration) when received by Glacier equityholders after the completion of the Merger could be greater than, less than or the same as shown in the table above. This data shows how each share of Glacier common stock would have participated in net income and book value of Primo if the companies had always been consolidated for accounting and financial reporting purposes for all periods presented. These amounts, however, are not intended to reflect future per share levels of net income and book value of Primo, and Glacier equityholders should not rely on this information as being indicative of the historical results that would have been achieved during the periods presented had Primo and Glacier always been combined or the future results that the Combined Company will achieve after the consummation of the Merger.



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	<b>Nine Months Ended</b>	<b>Year Ended</b>
	<b>September 30, 2016</b>	<b>December 31, 2015</b>
<b>Primo – Historical</b>		
Per common share data:		
Net income from continuing operations:		
Basic	\$ 0.21	\$ 0.08
Diluted	0.19	0.08
Book value (1)	1.26	1.01
Cash dividends declared	0	0
<b>Glacier – Historical</b>		
Per common share data:		
Net (loss) from continuing operations:		
Basic	\$ (1.34 )	\$ (1.88 )
Diluted	(1.34 )	(1.88 )
Book value (1) (2)	(25.29 )	(24.06 )
Cash dividends declared	0	0
<b>Primo – Unaudited Pro Forma Combined with Glacier (3)</b>		
Per common share data:		
Net (loss) from continuing operations:		
Basic	\$ (0.55 )	\$ (1.03 )
Diluted	(0.55 )	(1.03 )
Book value (1)	2.62	N/A
Cash dividends declared	0	N/A
<b>Glacier – Unaudited Pro Forma Equivalents</b>		
Per common share data:		
Net (loss) from continuing operations:		
Basic (4) (5)	\$ (0.48 )	\$ (0.91 )
Diluted (4) (5)	(0.48 )	(0.91 )
Book value (1) (5)	2.29	N/A
Cash dividends declared	0	N/A

(1) Amount is calculated by dividing shareholders' equity (deficit) by common shares outstanding.

(2) Reflects shareholders' equity excluding the noncontrolling interest.

(3) Amounts calculated based on pro forma financial statements giving effect to the Merger.

Amounts calculated by multiplying unaudited pro forma combined per share amounts by the exchange ratio in the  
 (4) acquisition of 0.87 shares of Primo common stock for each share of Glacier common stock. The exchange ratio  
 excludes the cash portion of the Merger consideration.

(5)

The information shows how each share of Glacier common stock would have participated in Primo's net income (loss) from continuing operations and book value if the Merger had occurred on January 1, 2015, in the case of net loss from continuing operations per share data, and at September 30, 2016, in the case of book value per share data.

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**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF PRIMO**

The following consolidated statements of operations data for the years ended December 31, 2015, 2014, 2013, 2012, and 2011 and the balance sheet data as of December 31, 2015, 2014, 2013, 2012 and 2011 have been derived from the audited consolidated financial statements of Primo. Primo's historical audited consolidated financial statements for the fiscal years ended December 31, 2015, 2014 and 2013 are contained in its Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which is incorporated by reference into this consent solicitation statement/prospectus. Primo's historical audited consolidated financial statements for the fiscal years ended December 31, 2012 and 2011 are not incorporated by reference into this consent solicitation statement/prospectus.

The selected historical consolidated financial data of Primo for the nine month periods ended September 30, 2016 and 2015 and as of September 30, 2016 have been derived from Primo's historical unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, which is incorporated by reference into this consent solicitation statement/prospectus. These financial statements are unaudited, but, in the opinion of Primo's management, contain all adjustments considered necessary for a fair presentation of Primo's financial condition, results of operations and cash flows for the periods presented.

Historical results are not necessarily indicative of results to be expected for any future periods. This selected historical consolidated financial data should be read in conjunction with Primo's Annual Report on Form 10-K for the year ended December 31, 2015 and Primo's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016. See the section entitled "Where You Can Find Additional Information" beginning on page 148.

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	<b>(Unaudited)</b>						
	<b>Nine months</b>						
	<b>ended September</b>		<b>Years ended December 31,</b>				
	<b>30,</b>		<b>30,</b>				
	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<i>(in thousands, except per share data)</i>						
<b>Consolidated statements of operations data:</b>							
Net sales	\$102,185	\$95,475	\$126,951	\$106,322	\$91,209	\$91,479	\$83,062
Operating costs and expenses:							
Cost of sales	71,351	70,120	92,476	78,452	68,367	70,081	63,201
Selling, general and administrative expenses	14,715	13,991	19,128	18,969	15,025	17,651	18,081
Non-recurring costs	1,094	109	275	2,881	777	743	2,091
Depreciation and amortization	7,225	7,424	10,432	10,655	11,333	11,102	8,863
Loss on disposal and impairment of property and equipment	570	417	500	2,104	126	57	125
Goodwill and other impairments	—	—	—	—	—	82,013	—
Total operating costs and expenses	94,955	92,061	122,811	113,061	95,628	181,647	92,361
Income (loss) from operations	7,230	3,414	4,140	(6,739 )	(4,419 )	(90,168 )	(9,299 )
Interest expense, net	1,436	1,514	1,987	6,325	4,425	4,043	1,690
Income (loss) from continuing operations before taxes	5,794	1,900	2,153	(13,064 )	(8,844 )	(94,211 )	(10,989)
Income tax (benefit) provision	—	—	—	—	—	(961 )	961
Loss from continuing operations	5,794	1,900	2,153	(13,064 )	(8,844 )	(93,250 )	(11,950)
Loss from discontinued operations	(43 )	(87 )	(296 )	(403 )	(1,862 )	(17,779 )	(2,429 )
Net income (loss)	\$5,751	\$1,813	\$1,857	\$(13,467 )	\$(10,706 )	\$(111,029 )	\$(14,379)
<b>Basic earnings (loss) per common share:</b>							
Income (loss) from continuing operations	\$0.21	\$0.08	\$0.08	\$(0.54 )	\$(0.37 )	\$(3.93 )	\$(0.55 )
Loss from discontinued operations	(0.01 )	(0.01 )	(0.01 )	(0.01 )	(0.08 )	(0.75 )	(0.11 )
Net income (loss)	\$0.20	\$0.07	\$0.07	\$(0.55 )	\$(0.45 )	\$(4.68 )	\$(0.66 )
<b>Diluted earnings (loss) per common share:</b>							
Income (loss) from continuing operations	\$0.19	\$0.07	\$0.08	\$(0.54 )	\$(0.37 )	\$(3.93 )	\$(0.55 )
Loss from discontinued operations	(0.00 )	(0.00 )	(0.01 )	(0.01 )	(0.08 )	(0.75 )	(0.11 )
Net income (loss)	\$0.19	\$0.07	\$0.07	\$(0.55 )	\$(0.45 )	\$(4.68 )	\$(0.66 )
<b>Weighted average shares used in computing earnings (loss) per share:</b>							
Basic	28,066	24,992	25,190	24,339	23,935	23,725	21,652

Diluted	29,843	26,508	27,001	24,339	23,935	23,725	21,652
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	<b>As of September 30, 2016</b>	<b>As of December 31,</b>				
	<b>(unaudited)</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Consolidated balance sheet data:</b>						
Cash and cash equivalents	\$ 2,302	\$1,826	\$495	\$394	\$234	\$751
Total assets (1)	73,767	64,487	65,252	69,833	80,134	183,435
Current portion of capital leases, notes payable and long-term debt (1)	4,271	172	106	16	15	13,500
Long-term debt, capital leases and notes payable, net of current portion and debt issuance costs (1)	16,024	19,903	23,714	21,516	19,610	44
Liabilities of disposal group, net of current portion, and other long-term liabilities	2,502	2,535	2,316	2,330	352	4,710

(1) reflects reclassification of debt issuance costs from other assets to long-term debt, capital leases and notes payable, net of current portion and debt issuance costs and current portion of capital leases, notes payable and long-term debt, based on updated FASB guidance requiring retrospective application.

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**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF GLACIER**

The following consolidated statement of operations data for the fiscal years ended January 3, 2016, December 28, 2014, December 29, 2013, December 30, 2012 and January 1, 2012 and consolidated balance sheet data as of January 3, 2016, December 28, 2014, December 29, 2013, December 30, 2012 and January 1, 2012 have been derived from the audited consolidated financial statements of Glacier. Glacier has included elsewhere in this consent solicitation statement/prospectus the audited consolidated financial statements as of and for the fiscal years ended January 3, 2016 and December 28, 2014. Glacier has not included elsewhere in this consent solicitation statement/prospectus the audited consolidated financial statements as of and for the fiscal years ended December 29, 2013, December 30, 2012 and January 1, 2012.

The selected historical consolidated financial data of Glacier for the fiscal year-to-date periods ended October 2, 2016 and September 27, 2015 and as of October 2, 2016 have been derived from Glacier's historical unaudited interim consolidated financial statements included elsewhere in this consent solicitation statement/prospectus. Glacier utilizes a fiscal year of 52 or 53 weeks ending on the Sunday closest to December 31. Fiscal year 2015 ended on January 3, 2016 and consisted of 53 weeks. Fiscal years 2014 and 2013 ended on December 28, 2014 and December 29, 2013, respectively, and each consisted of 52 weeks. These interim financial statements are not audited, but, in the opinion of Glacier's management, contain all adjustments considered necessary for a fair presentation of Glacier's financial condition, results of operations and cash flows for the periods presented.

Historical results are not necessarily indicative of results to be expected for any future periods. This selected historical consolidated financial data should be read in conjunction with Glacier's "Management's Discussion and Analysis of Financial Condition and Results of Operations" and consolidated financial statements and the related notes thereto included elsewhere in this consent solicitation statement/prospectus.

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	(Unaudited)						
	Fiscal Year ended						
	Nine Months ended						
	October 2, 2016	September 27, 2015	January 3, 2016	December 28, 2014	December 29, 2013	December 30, 2012	January 1, 2012
<i>(in thousands, except per share data)</i>							
<b>Summary Consolidated Statements of Operations Data:</b>							
Net Sales	\$105,956	\$104,199	\$138,328	\$132,921	\$124,995	\$111,874	\$103,796
Operating costs and expenses:							
Cost of sales	73,083	71,437	95,331	91,427	85,848	76,390	70,223
Selling, general and administrative expenses	14,511	14,028	18,884	18,829	18,269	17,559	17,513
Depreciation and amortization	12,513	12,498	16,878	17,207	16,525	13,521	12,630
Loss on disposal and impairment of property and equipment	-	-	-	-	1,539	-	-
Total operating costs and expenses	100,107	97,963	131,093	127,463	122,181	107,470	100,366
Income from operations	5,849	6,236	7,235	5,458	2,814	4,404	3,430
Other expenses:							
Other expense	1,553	2,002	2,371	1,859	1,490	335	-
Interest expense	8,479	8,232	11,191	10,790	10,718	10,255	9,244
Total other expense	10,032	10,234	13,562	12,649	12,208	10,590	9,244
Loss before income taxes	(4,183 )	(3,998 )	(6,327 )	(7,191 )	(9,394 )	(6,186 )	(5,814 )
Income taxes expense	270	245	320	400	398	45	41
Net loss	(4,453 )	(4,243 )	(6,647 )	(7,591 )	(9,792 )	(6,231 )	(5,855 )
Net loss attributable to noncontrolling interest	(270 )	(258 )	(403 )	(462 )	(393 )	(88 )	-
Net loss attributable to Glacier Water Services, Inc.	\$(4,183 )	\$(3,985 )	\$(6,244 )	\$(7,129 )	\$(9,399 )	\$(6,143 )	\$(5,855 )
Basic and diluted net loss per common share:	\$(1.26 )	\$(1.20 )	\$(1.88 )	\$(2.15 )	\$(2.84 )	\$(1.88 )	\$(2.15 )
Weighted average shares used in computing net loss	3,317	3,316	3,315	3,310	3,310	3,277	2,726

per share:

	<b>As of October 2, 2016  (unaudited)</b>	<b>As of January 3, 2016</b>	<b>December 28, 2014</b>	<b>December 29, 2013</b>	<b>December 30, 2012</b>	<b>January 1, 2012</b>
<i>(in thousands)</i>						
<b>Summary Consolidated Balance Sheet data:</b>						
Cash and cash equivalents	\$ 5,843	\$ 5,340	\$ 4,519	\$ 4,264	\$ 5,229	\$ 3,425
Total assets (1)	111,238	112,624	114,739	118,437	113,211	89,728
Long-term debt (1)	98,369	98,253	98,095	97,940	97,786	97,631
Line of credit	51,000	50,000	46,500	43,500	41,500	32,056
Total liabilities	167,931	164,972	160,147	156,218	155,503	140,230
Total stockholders' deficit - Glacier Water Services, Inc.	(83,888 )	(79,813 )	(73,276 )	(66,111 )	(57,055 )	(50,502 )
Noncontrolling interest equity	27,195	27,465	27,868	28,330	14,763	-
Total stockholders' deficit	(56,693 )	(52,348 )	(45,408 )	(37,781 )	(42,292 )	(50,502 )

We have a beneficial interest in \$6.3 million of the Junior Subordinated Debentures included as long-term debt on our consolidated balance sheet. The beneficial interest is reflected as a long-term investment on our consolidated (1) balance sheet and is included in total assets. See "Management's Discussion and analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Indebtedness" and Notes 1(g) and 3(a) to Consolidated Financial Statements.



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The following table presents summary unaudited pro forma condensed combined financial information about the financial condition and results of operations of Primo after giving effect to the Merger. The summary unaudited pro forma condensed combined statement of operations data for the nine months ended September 30, 2016 and the year ended December 31, 2015 give effect to the Merger as if the Merger had taken place on January 1, 2015. The summary unaudited pro forma condensed combined balance sheet data gives effect to the Merger as if it had taken place on September 30, 2016. Primo and Glacier have different fiscal year ends, with Primo's most recent annual period ended on December 31, 2015 and Glacier's most recent annual period for which audited financial statements are available ended on January 3, 2016. Certain line items of the balance sheet and income statements were combined or reclassified in order to make the information comparable.

The summary unaudited pro forma condensed combined financial information is derived from, and should be read in conjunction with, the consolidated financial statements and related notes of Primo incorporated by reference into this consent solicitation statement/prospectus, and the consolidated financial statements and related notes of Glacier included elsewhere in this consent solicitation statement/prospectus, together with the more detailed unaudited pro forma condensed combined financial information provided in the section titled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 95 of this consent solicitation statement/prospectus. The summary unaudited pro forma condensed combined financial information set forth below has been presented for informational purposes only and is not necessarily indicative of what the combined financial condition or results of operations actually would have been had the Merger been completed as of the dates indicated. In addition, the summary unaudited pro forma condensed combined financial information presented below does not purport to project the combined financial condition or operating results for any future period.

	<b>Nine months ended September 30, 2016</b>	<b>Year ended December 31, 2015</b>
	<i>(in thousands)</i>	
<b>Unaudited Pro Forma Condensed Combined Statements of Operations Data:</b>		
Net sales	208,141	265,279
Cost of sales	145,572	189,343
Selling, general and administrative expenses	29,226	38,012
Depreciation and amortization	31,017	42,171
Loss from continuing operations	(17,056 )	(29,102 )
Net income (loss) attributable to parent company	(17,099 )	(29,398 )

	<b>As of September 30, 2016</b> <i>(in thousands)</i>
<b>Unaudited Pro Forma Condensed Combined Balance Sheet Data:</b>	
Cash and cash equivalents	6,440
Total assets	378,252
Current portion of long-term debt and capital leases	4,271
Long-term debt and capital leases, net of current portion and debt issuance costs	168,752
Junior subordinated debentures	89,557
Liabilities of disposal group, net of current portion, and other long-term liabilities	2,502

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**RISK FACTORS**

*In addition to general investment risks and the other information included in and incorporated by reference in this consent solicitation statement/prospectus, including the matters addressed in the section entitled “Special Note Regarding Forward-Looking Statements” beginning on page 43, Glacier stockholders should carefully consider the following risks in determining whether to adopt and approve the Merger Agreement and the Merger and the other transactions contemplated by the Merger Agreement. In addition, Glacier equityholders are encouraged to read and consider the risks associated with an investment in Primo common stock. These risks can be found in Primo’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as updated by subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this consent solicitation statement/prospectus. For further information regarding the documents incorporated into this consent solicitation statement/prospectus by reference, see the section titled “Where You Can Find Additional Information” beginning on page 148.*

**Risks Relating to the Merger**

*There is no assurance when or if the Merger will be completed. Any delay in completing the Merger may substantially reduce the benefits that Primo and Glacier expect to obtain from the Merger.*

The completion of the Merger is subject to the satisfaction or waiver of a number of conditions, including without limitation, the approval of Glacier stockholders, the effectiveness of the registration statement on Form S-4 of which this consent solicitation statement/prospectus forms a part, and other customary conditions as set forth in the Merger Agreement. There can be no assurance that Primo and Glacier will be able to satisfy the closing conditions or that closing conditions beyond their control will be satisfied or waived. For a discussion of the conditions to the completion of the Merger, see the section titled “The Merger Agreement—Conditions to Completion of the Merger” beginning on page 81 of this consent solicitation statement/prospectus. If the Merger and the integration of the companies’ respective businesses are not completed within the expected timeframe, such delay may materially and adversely affect the synergies and other benefits that Primo and Glacier expect to achieve as a result of the Merger and could result in additional transaction costs, loss of revenue, a negative impact on the market price of Primo common stock or other effects associated with uncertainty about the Merger.

Primo and Glacier can mutually agree at any time to terminate the Merger Agreement, even if Glacier stockholders have already adopted and approved the Merger Agreement and the Merger and the other transactions contemplated by the Merger Agreement. Primo and Glacier can also terminate the Merger Agreement under other specified circumstances. See the section titled “The Merger Agreement—Termination of the Merger Agreement” beginning on page 84 of this consent solicitation statement/prospectus.

***Consummation of the Merger will require Primo to incur significant additional indebtedness, which could adversely impact Primo's financial condition and may hinder Primo's ability to obtain additional financing and pursue other business and investment opportunities.***

Primo intends to finance the cash required in connection with the Merger, including for expenses incurred in connection with the Merger, with debt financing. On October 11, 2016, Primo entered into a debt commitment letter with Goldman, pursuant to which Goldman committed to lend Primo up to \$186.0 million in term loans and a \$10.0 million revolving credit facility on the Closing Date of the Merger to fund the Merger consideration, refinance certain indebtedness of Glacier and pay related fees and expenses, subject to the conditions set forth therein.

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The incurrence of additional indebtedness could have negative consequences, including increasing Primo's vulnerability to adverse economic and industry conditions, and limiting Primo's ability to obtain additional financing and implement and pursue strategic initiatives and opportunities. Additionally, if Primo does not achieve the expected benefits and cost savings from the Merger with Glacier, or if the financial performance of Primo, as the Combined Company, does not meet current expectations, then Primo's ability to service the debt may be adversely impacted. Primo's credit ratings may also be impacted as a result of the incurrence of additional acquisition-related indebtedness.

The debt financing commitment is subject to various conditions, including the absence of a material adverse change on the condition, business, performance, operations or property of Primo or Glacier, the execution of satisfactory documentation, completion of the Merger in accordance with the terms and conditions of the Merger Agreement, and other customary closing conditions as set forth in the Commitment Letter. There is a risk that these conditions will not be satisfied and that the debt financing may not be funded when required. If the financing is not funded when required and Primo is unable to obtain alternate financing within the time periods permitted under the Merger Agreement, Glacier will have the right to terminate the Merger Agreement and collect a \$7.5 million termination fee from Primo. For a description of the debt financing, please refer to "Description of the Debt Financing" beginning on page 93 of this consent solicitation statement/prospectus.

***Primo is expected to incur substantial transactional expenses related to the Merger and the integration of Glacier.***

Primo is expected to incur substantial expenses in connection with the Merger, the integration of Glacier and the achievement of the desired synergies. Non-recurring transaction expenses include, but are not limited to, fees paid to financing sources and to legal, financial and accounting advisors. Additionally, there are a large number of processes, policies, procedures, operations, technologies and systems that must be integrated, including information technology, purchasing, accounting and finance, sales, billing, marketing and human resources, including payroll and employee benefits. While Primo has attempted to estimate the after-tax integration and other costs incurred to execute the transaction following completion of the Merger, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that Primo expects to achieve from elimination of duplicative expenses and the realization of economies of scale and cost savings. Although Primo and Glacier expect that the realization of efficiencies related to the integration of the businesses may offset incremental costs over time, Primo and Glacier cannot give any assurance that this net benefit will be achieved in the near term, the long term or at all.

***Covenants in the Merger Agreement place certain restrictions on Glacier's conduct of business prior to the closing of the Merger, including entering into a business combination with another party.***

The Merger Agreement restricts Glacier from taking certain specified actions with respect to the conduct of its business, with limited exceptions, until the Merger occurs or the Merger Agreement terminates, including prohibition

on initiating, soliciting or knowingly encouraging any inquiries or making any proposals or offers that constitute or that could reasonably be expected to lead to a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Glacier or any purchase or sale of 20% or more of the consolidated assets of Glacier, taken as a whole, or any purchase or sale of, or tender or exchange offer for, its voting securities that, if consummated, would result in any person (or the stockholders of such person) beneficially owning securities representing 20% or more of Glacier's total voting power (or of the surviving parent entity in such transaction) (collectively, an "Acquisition Proposal"), or engaging in or otherwise participating in any discussions or negotiations regarding, or providing any non-public information or data concerning Glacier to any person relating to, or that could reasonably be expected to lead to, any Acquisition Proposal. These restrictions may prevent Glacier from pursuing otherwise attractive business opportunities or other capital structure alternatives and making other changes to its business or executing certain of its business strategies prior to the completion of the Merger or termination of the Merger Agreement, which could otherwise be favorable to Glacier stockholders. See the section entitled "The Merger Agreement—Conduct of Business Before Completion of the Merger" beginning on page 75 of this consent solicitation statement/prospectus.

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***The announcement and pendency of the Merger could have an adverse effect on Primo's and/or Glacier's business, financial condition, results of operations or business prospects.***

The announcement and pendency of the Merger could disrupt Primo's and/or Glacier's businesses in the following ways, among others:

Primo's and/or Glacier's employees may experience uncertainty regarding their future roles in the Combined Company, which might adversely affect Primo's and/or Glacier's ability to retain, recruit and motivate key personnel;

the attention of Primo's and/or Glacier's management may be directed towards the completion of the Merger and other transaction-related considerations and may be diverted from the day-to-day business operations of Primo and/or Glacier, as applicable, and matters related to the Merger may require commitments of time and resources that could otherwise have been devoted to other opportunities that might have been beneficial to Primo and/or Glacier, as applicable; and

customers, suppliers, business partners and other third parties with whom Primo or Glacier has a business relationship may decide not to renew or may decide to delay or defer business decisions, seek to terminate, change and/or renegotiate their relationships with Primo and/or Glacier as a result of the Merger, whether pursuant to the terms of their existing agreements with Primo and/or Glacier or otherwise.

Any of these matters could adversely affect the businesses of, or harm the financial condition, results of operations or business prospects of, Primo and/or Glacier.

***Because the market price of Primo common stock will fluctuate, Glacier equityholders cannot be sure of the market value of the Primo common stock that they will receive in the Merger.***

When we complete the Merger, each share of Glacier common stock, Option Allocated Share and minority LLC common unit will be converted into the right to receive the Per Share Cash Amount, the Per Share Stock Amount and the Per Share Warrant Amount. The amount of the Per Share Stock Amount and the exercise price of the Warrants included in the Per Share Warrant Amount are based on a fixed share price and will not be adjusted for changes in the market price of either Primo common stock or Glacier common stock between the date of signing the Merger Agreement and completion of the Merger. The market value of Primo common stock will continue to fluctuate until the completion of the Merger. For example, during the third quarter of 2016, the closing sales price of Primo common stock ranged from a low of \$11.13 to a high of \$12.59, as reported on the Nasdaq Global Market. On December 2, 2016, the closing sales price of Primo common stock was \$12.46. The Merger Agreement does not provide for any price-based termination right for either party. Accordingly, the market value of the shares of Primo common stock that

Primo issues and for which the Warrants are exercisable and each of which Glacier equityholders will be entitled to receive when the parties complete the Merger will depend on the market value of shares of Primo common stock at the time that the parties complete the Merger and could vary significantly from the market value on the date of this consent solicitation statement/prospectus or the date of the approval of the proposal to adopt the Merger Agreement by Glacier stockholders.



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Changes in the market value of Primo common stock could result from a variety of factors, many of which are beyond Primo's control, including general market and economic conditions, actual or expected variations in results of operations, changes in recommendations by securities analysts, changes in Primo's business, operations and prospects and regulatory considerations and significant acquisitions or strategic alliances by competitors. Glacier stockholders should obtain current market quotations for shares of Primo common stock.

***Glacier equityholders may not receive the stock consideration to be held in the escrow account, and even if they do receive the shares, the value of the escrowed shares may decline.***

To secure the indemnification obligations of the Glacier equityholders under the Merger Agreement, Primo will withhold from such Glacier equityholders (on a pro rata basis according to their respective interests therein) and deliver to the escrow agent, 71% of the stock consideration payable to each such Glacier equityholder, to be held and distributed by the escrow agent pursuant to the terms of the Merger Agreement and the escrow agreement. Glacier equityholders may not receive the stock consideration to be held in the escrow account by the escrow agent, and even if they do receive the shares of Primo common stock subject to the escrow agreement, the value of the escrowed shares may decline.

The shares of Primo common stock delivered by Primo to the escrow agent upon the closing of the Merger will be available to compensate Primo, the post-closing surviving corporation and their affiliates with respect to breaches, violations or non-fulfillment of covenants or agreements and breaches of or inaccuracies in representations or warranties, in each case, by Glacier or Glacier equityholders. The shares of Primo common stock will be held in escrow beginning on the closing date of the Merger and will be released to the stockholder representative, on behalf of and for distribution to the Glacier equityholders as follows: 25% of the escrow will be released on the date that is 6 months following the Closing Date, an additional 25% of the escrow will be released on the date that is 9 months following of the Closing Date and the remaining 50% of the escrow will be released on the "Final Escrow Release Date", which means (i) if the Closing Date is on or prior to December 31, 2016, the date that is the first anniversary of the Closing Date or (ii) if the Closing Date is after December 31, 2016, the date that is 30 days following the completion of an independent audit of Primo and its subsidiaries on a consolidated basis following the Merger for the fiscal year ending December 31, 2017.

In the event shares of Primo common stock are withdrawn from the escrow to satisfy an indemnification claim by Primo, the post-closing surviving corporation or their affiliates, the number of shares will be determined on the basis of the market price per share of Primo common stock at the time it is to be released from the escrow to satisfy a claim. As a result, if the market price for Primo common stock falls between the closing of the Merger and the time that shares of Primo common stock are released from the escrow, the Glacier equityholders may be required to forego more shares of Primo common stock to satisfy the claim than would have been necessary had the price of Primo common stock remained unchanged. If the total amount of claims paid pursuant to the terms of the Merger Agreement and the escrow agreement exceeds the market value of the escrowed shares, the Glacier equityholders may not receive any of the escrowed shares. In addition, except in cases of fraud, intentional misrepresentation or willfull misconduct,

the shares deposited into escrow will be the sole and exclusive source of satisfaction of any indemnification claim made by Primo, the post-closing surviving corporation or their affiliates. To the extent the losses associated with any such indemnification claims exceed the value of the shares deposited into escrow, Primo, the post-closing surviving corporation and their affiliates will have no other means of recovering against the Glacier equityholders.

Finally, the market value of the shares of Primo common stock deposited in the escrow account may fluctuate or decrease between the time of such deposit and the time at which any escrowed amount is distributed to the Glacier equityholders. Glacier equityholders will not be compensated for fluctuations in value of the shares of Primo common stock.

***Glacier stockholders will have a reduced ownership and voting interest in Primo after the Merger relative to their current ownership and voting interest in Glacier and, as a result, will be able to exert less influence over management.***

Glacier stockholders currently have the right to vote in the election of the Glacier board of directors and on other matters affecting Glacier. In the Merger, each Glacier stockholder will receive shares of Primo common stock as a portion of the Merger consideration, which will result in such Glacier stockholder becoming a stockholder of Primo with a percentage ownership of Primo after the Merger that is smaller than such stockholder's current percentage ownership of Glacier. Based on the assumptions described in "The Merger—Effect of the Merger; Merger Consideration" beginning on page 49, it is currently expected that Glacier equityholders immediately prior to the Merger will own, in the aggregate, approximately 10.9% of the outstanding shares of Primo common stock immediately after the completion of the Merger. Accordingly, Glacier stockholders will have substantially less influence on the management and policies of Primo after the Merger than they now have with respect to the management and policies of Glacier.

***Because certain directors and executive officers of Glacier, as the case may be, are parties to agreements or are participants in other arrangements that give them interests that may be different from, or in addition to, the interests of a stockholder of Glacier, these persons may have conflicts of interest in recommending that Glacier stockholders vote to adopt the Merger Agreement and approve the Merger.***

Certain directors and executive officers of Glacier have interests in the Merger that may be different from, or in addition to, your interests as a stockholder of Glacier. The Glacier board of directors was aware of these interests at the time it approved the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger. These interests may cause these persons to view the proposal to adopt the Merger Agreement differently and more favorably than you may view it. The interests of directors and executive officers of Glacier in the Merger that are different from those of the Glacier stockholders are described under "The Merger—Interests of Glacier Directors and Executive Officers in the Merger" beginning on page 58 of this consent solicitation statement/prospectus.

## **Risks Relating to the Combined Company Following the Merger**

*If the Merger is completed, Primo and Glacier will operate as a combined company in a competitive market environment that is difficult to predict and involves significant risks, many of which will be beyond the control of the Combined Company. In determining whether you should consent to the Merger proposal, Glacier stockholders should carefully read and consider the following risk factors. If any of the events, contingencies, circumstances or conditions described in the following risks actually occurs, the Combined Company's business, financial condition or results of operations could be adversely affected.*

***The Combined Company may not fully realize the anticipated synergies and related benefits of the Merger or do so within the anticipated time frame. Also, integrating Glacier's business with that of Primo may divert the attention of management away from operations.***

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Currently, Primo and Glacier operate as two independent companies. Achieving the anticipated benefits of the Merger will depend in large part upon how successfully the two companies are able to integrate their businesses in an efficient and effective manner. Primo and Glacier have been able to conduct only limited planning regarding the integration of the two companies after the completion of the Merger, and they have not yet determined the exact nature of how the businesses and operations of the two companies will be combined thereafter. The companies may not be able to accomplish the integration process smoothly, successfully or on a timely basis.

The companies may have to address potential differences in business backgrounds, corporate cultures and management philosophies to achieve successful integration. Employee uncertainty during the integration process may also disrupt the business of the Combined Company. Regulatory agencies may impose terms and conditions on their approvals, which may adversely impact the ability of the Combined Company to realize the synergies that are projected to occur in connection with the Merger. In addition, management of Primo and Glacier will be required to devote significant attention and resources prior to the closing of the Merger to prepare for the post-closing operations of the Combined Company, and this process may disrupt the businesses and, if ineffective, could limit the anticipated benefits of the Merger. Many of these factors will be outside of the control of the Combined Company and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact the business, financial condition and results of operations of the Combined Company. In addition, even if the operations of the businesses of Primo and Glacier are integrated successfully, the full benefits of the transaction may not be realized, including the synergies, cost savings, sales or growth opportunities and operational efficiencies that are expected. These benefits may not be achieved within the anticipated time frame, or at all. Further, additional unanticipated costs may be incurred in the integration of the businesses of Primo and Glacier. All of these factors could negatively impact the earnings per share of the Combined Company, decrease or delay the expected accretive effect of the Merger and negatively impact the price of the Combined Company's shares. As a result, there is no assurance that the combination of Primo and Glacier will result in the realization of the full benefits anticipated from the Merger.

***The future results of the Combined Company will suffer if the Combined Company does not effectively manage its expanded operations following the completion of the Merger.***

Following the completion of the Merger, the size of the business of the Combined Company will increase significantly beyond the current size of either Primo's or Glacier's business. The Combined Company's future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. If the Combined Company is unsuccessful in managing its integrated operations, or if it does not realize the expected operating efficiencies, cost savings and other benefits currently anticipated from the Merger, the operations and financial condition of the Combined Company could be adversely affected and the Combined Company may not be able to take advantage of business development opportunities.

***The Merger will result in changes to the Primo board of directors and management that may affect the Combined Company's strategy.***

If the parties complete the Merger, the composition of the Primo board of directors and management team will change in accordance with the Merger Agreement. Pursuant to the terms of the Merger Agreement, Primo will use reasonable efforts to cause its board of directors to appoint Charles Norris to serve as a Class III director on the Primo board of directors for a term that would expire at Primo's 2019 annual meeting of stockholders. In addition, the Combined Company's management will include Mr. McInerney and is expected to include members of the existing Primo and Glacier management teams. This new composition of the Primo board of directors and management may affect the business strategy and operating decisions of the Combined Company upon the completion of the Merger. In addition, the composition of the Primo board of directors and management as contemplated by the Merger Agreement may change following the Merger.

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***The loss of key personnel could have a material adverse effect on the Combined Company's financial condition, results of operations and growth prospects and could diminish the anticipated benefits of the Merger.***

The success of the Merger will depend in part on the attraction, retention and motivation of certain key personnel critical to the business and operations of the Combined Company after the Merger due to, for example, their technical skills or industry or management expertise. Employees may experience uncertainty about their future roles with the Combined Company during the pendency of the Merger or after its completion, and it is possible that certain key employees might decide not to remain with the Combined Company after the Merger is completed. In addition, competitors may recruit key employees during the pendency of the Merger and during the integration of the two companies. If Primo and Glacier are unable to attract and retain key personnel, or if the companies lose certain key employees during the pendency of the Merger or after its completion, the Combined Company could face disruptions in its operations, loss of existing customers, failure to engage new customers, the diversion of management's attention from successful integration of Primo's and Glacier's operations and unanticipated recruiting and training costs. This may result in adverse effects on the Combined Company's business, financial condition, results of operation and growth prospects. In addition, the Combined Company might not be able to locate suitable replacements for any key personnel who terminate their employment with Combined Company, and the loss of key personnel may diminish the anticipated benefits of the Merger.

***The Merger could trigger certain change-of-control or similar provisions contained in Glacier's agreements with third parties that could permit such parties to terminate or renegotiate those agreements.***

Glacier may be a party to agreements that permit the counterparty to terminate the agreement or receive payments because the Merger would cause a default or violate an anti-assignment, change-of-control or similar clause in such agreement. If this happens, the Combined Company may have to seek replacement of that agreement with a new agreement or make additional payments under such agreement. However, the Combined Company may be unable to replace a terminated agreement on comparable terms, if at all. Depending on the importance of such agreement to Glacier's business, the failure to replace a terminated agreement on similar terms, if at all, and requirements to pay additional amounts or other adverse terms, may decrease the expected benefits of the Merger to the Combined Company.

***Future results of the Combined Company may differ materially from the unaudited pro forma financial statements presented in this consent solicitation statement/prospectus and the financial forecasts prepared by Primo and Glacier in connection with discussions concerning the Merger.***

The unaudited pro forma combined financial information contained in this consent solicitation statement/prospectus is presented for illustrative purposes only and may differ materially from what the Combined Company's actual financial position or results of operation would have been had the Merger been completed on the dates indicated. The unaudited

pro forma financial information has been derived from the audited and unaudited historical financial statements of Primo and Glacier, and certain adjustments and assumptions have been made regarding the Combined Company after giving effect to the Merger. The process for estimating the fair value of acquired assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. These estimates may vary significantly as additional information becomes available and as additional analyses are performed. Differences between preliminary estimates in the unaudited pro forma combined financial information and the final acquisition accounting may occur and are not necessarily indicative of the financial position or results of operations in future periods or that would have been realized in historical periods presented.

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In addition, the assumptions used in preparing the unaudited pro forma financial information may not prove to be accurate, and other factors may affect the Combined Company's financial condition or results of operation following the closing. Any potential decline in the Combined Company's financial condition or results of operations may cause significant variations in the market price of Primo's common stock following the Merger. See "Unaudited Pro Forma Condensed Combined Financial Statements" on page 95.

***If the Combined Company fails to maintain proper and effective internal controls, its ability to produce accurate financial statements could be impaired, which could adversely affect its operating results, its ability to operate its business and investors' view of the Combined Company.***

Ensuring that the Combined Company has adequate internal financial and accounting controls and procedures in place to produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Glacier has not historically evaluated and developed its internal controls and procedures in compliance with Section 404 of the Sarbanes-Oxley Act, and its internal controls and procedures are not expected to be fully compliant with Section 404 of the Sarbanes-Oxley Act at the time of the Merger. Implementing appropriate changes to the internal controls of the Combined Company may take a significant period of time to complete, may distract directors, officers and employees, and may entail substantial costs in order to modify existing accounting systems. Further, the Combined Company may encounter difficulties assimilating or integrating the internal controls, disclosure controls and information technology infrastructure of Primo and Glacier. The Combined Company's efforts to assimilate and integrate the internal controls of Primo and Glacier may not be effective in maintaining the adequacy of internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase the Combined Company's operating costs and could materially impair its ability to operate its business. In addition, investors' perceptions that the Combined Company's internal controls are inadequate or that it is unable to produce accurate financial statements may adversely affect its stock price.

***Turbulence in the U.S. and global economies and financial markets may lead to a decrease in discretionary consumer and corporate spending and could adversely impact the Combined Company's business, financial condition and results of operations.***

The U.S. economy has presented challenges to the businesses of Primo and Glacier in recent years, including discretionary consumer and corporate spending. These continued challenges and potential turbulence in the U.S. market and economy may lead to reduced consumer confidence and a decrease in spending in the water industry. The Combined Company's business depends significantly on discretionary consumer spending. Economic conditions affecting disposable consumer income such as employment, fuel prices, interest and tax rates, consumer debt levels, lack of available credit and inflation may significantly impact the operating results of the Combined Company. Business conditions, as well as various industry conditions, can also significantly impact the Combined Company's operating results. Any material decline in the amount of discretionary consumer spending could hurt the Combined Company's revenues, results of operations, business and financial condition. In addition, the current global economic uncertainty, the impact of recessions, and the potential for failures or realignments of financial institutions and the



related impact on available credit may impact the Combined Company's suppliers, distributors, retail customers, and operations in an adverse manner including, but not limited to, the inability of retail customers to timely pay their obligations to the Combined Company, thus reducing its cash flow, increased costs related to our distribution channels and the inability of the Combined Company's vendors to timely supply materials.

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***Currently pending or future litigation or governmental proceedings could result in adverse effects, including injunctions, judgments or settlements.***

Primo and Glacier are and from time to time become involved in lawsuits, regulatory inquiries and governmental and other legal proceedings arising out of the ordinary course of their businesses. Many of these matters raise difficult and complicated factual and legal issues and are subject to uncertainties and complexities. The timing of the final resolutions to these types of matters is often uncertain. Additionally, the possible outcomes or resolutions to these matters could include adverse judgments or settlements, either of which could require substantial payments, adversely affecting the Combined Company's business, financial condition, results of operations and liquidity.

***The market price of the Combined Company common stock after the Merger may be subject to significant fluctuations and may be affected by factors different from those currently affecting the market price of Primo common stock.***

Upon completion of the Merger, each Glacier stockholder, holder of Glacier stock options and holder of minority LLC common units will become a Primo stockholder. While Primo common stock has an observable trading history, Primo common stock on a post-Merger basis may trade differently from its pre-Merger trading history, and the market price of Primo common stock could be subject to significant fluctuations following the Merger.

In addition, the businesses of Primo differ from those of Glacier in important respects and, accordingly, the results of operations of the Combined Company and the market price of Primo common stock following the Merger may be affected by factors different from those currently affecting the independent results of operations of Primo and Glacier. For a discussion of the business of Primo and of certain factors to consider in connection with Primo's business, see the documents incorporated by reference into this consent solicitation statement/prospectus referred to in the section titled "Where You Can Find Additional Information" beginning on page 150. For a discussion of the business of Glacier and of certain factors to consider in connection with Glacier's business, see the sections titled "Risk Factors—Risks Relating to Glacier's Business" beginning on page 38 and "Information about Glacier" beginning on page 113.

***The Combined Company may require additional capital in the future, which may not be available to it on satisfactory terms, if at all.***

The Combined Company will require liquidity to fund its operating expenses and interest on its debt. To the extent that the funds generated by the Combined Company's ongoing operations are insufficient to cover its liquidity requirements, it may need to raise additional funds through financings. If the Combined Company cannot obtain adequate capital or sources of credit on favorable terms, or at all, its business, operating results and financial condition

could be adversely affected.

***The rights of Glacier stockholders who become Primo stockholders in the Merger will be governed by the Primo certificate of incorporation and the Primo by-laws.***

Glacier stockholders who receive shares of Primo common stock in the Merger will become Primo stockholders and will be governed by the Primo certificate of incorporation and the Primo by-laws, rather than the Glacier certificate of incorporation and the Glacier by-laws. There may be material differences between the current rights of Glacier stockholders, as compared to the rights they will have as Primo stockholders. For more information, see the section titled “Comparison of Rights of Stockholders” beginning on page 139.

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**Risks Relating to Primo's Business**

*Glacier equityholders are encouraged to read and consider the risks associated with an investment in Primo common stock. These risks can be found in Primo's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as updated by subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this consent solicitation statement/prospectus.*

**Risks Relating to Glacier's Business**

*Glacier equityholders are urged to read and consider the following risks related to Glacier's business.*

***Glacier depends on retailer and consumer acceptance of its vended water machines.***

Glacier is a consumer products company operating in the highly-competitive water market and relies on consumer demand for its filtered water. Because potential customers may not be familiar with Glacier's water machines and because Glacier undertakes limited marketing, there can be no assurance that consumer acceptance of Glacier's product will continue to grow, or that newly installed machines will attract enough customers to be profitable. In addition, if Glacier is unable to respond effectively to the trends affecting the water market, consumer acceptance of Glacier's products may suffer. A failure to grow or maintain consumer acceptance for Glacier's water machines could reduce the profitability of Glacier's machines, and could adversely affect Glacier's ability to install new machines with existing or potential retail partners. In addition, if consumers have a negative experience with any brand of vended water, including the water of Glacier's competitors, vended water may lose acceptance and Glacier's business could be adversely affected.

***Glacier's industry is highly competitive, and Glacier might encounter significant competition from new or existing companies entering into the vended water market.***

The bottled water industry is highly competitive. If Glacier is unable to respond effectively to competitive threats, Glacier's margins and results of operations could be adversely affected.

Glacier's primary competitors in the bottled water market include Nestlé, The Coca-Cola Company, PepsiCo, Dr. Pepper Snapple Group and Cott Corporation. These leading consumer products companies have strong brand presence with consumers, established relationships with retailers and significantly greater financial and other resources than Glacier has. Glacier could lose market share if they, or other large companies, successfully enter the vended water market or if Glacier's consumers prefer pre-packaged water over its vended water.

Glacier also faces competition within the vended water market from small- to medium-sized operators. If a competitor develops, or seeks to develop, a service model similar to Glacier's, Glacier could face increased competition to attract retail partners. In addition to competition within the bottled water industry, the industry itself faces significant competition from other non-alcoholic beverages, including soft drinks, carbonated waters, juices, sport and energy drinks, coffees, teas and spring and municipal tap water.

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***The loss of a major retail partner would adversely affect Glacier.***

Glacier distributes its vended water to consumers through relationships with third-party retailers. Most of Glacier's arrangements with Glacier's retail partners are evidenced by written contracts which have terms that generally range from two to five years and contain termination clauses as well as automatic renewal clauses. During the term of these agreements, Glacier has the exclusive right to place water vending machines at specified locations. Glacier competes to maintain existing retail accounts and to establish new retail relationships, but it can give no assurance of renewals of any existing contracts or of its ability to enter into new contracts. If Glacier is unable to redeploy machines from lost locations on a timely basis to equally desirable locations, Glacier's business will be adversely affected.

Continued positive relations with Glacier's retail partners depend on various factors, including commission rates, customer service, consumer demand and competition. Disruptions in relationships with retailers, including the reduction, termination or adverse modification of a retail relationship, could have a negative effect on Glacier's ability to sell its vended water and to maintain its consumer base, which would in turn adversely affect its business and results of operations.

***Increased use of "point-of-use" home filtration devices could adversely affect Glacier.***

An increase in the use of in-home filtration devices, such as those that attach to faucets or are installed under the sink, could adversely affect demand for Glacier's vended water, particularly if such devices are improved to provide enhanced filtration.

***If Glacier is unable to build and maintain its brand image and corporate reputation, its business may suffer.***

As a direct marketer of consumables to consumers, Glacier's future success depends on Glacier's ability to build and maintain its brand image. If Glacier is not able to maintain and enhance its brand to consumers and to new retail partners where it may have limited brand recognition, it may be unable to place additional machines at retail locations or attract sufficient numbers of consumers to its machines. Given the nature of Glacier's product, its ability to maintain its reputation for product quality is also critical to its brand image. Any negative publicity, or any actual or perceived product quality issues, even if false or unfounded, could tarnish the image of Glacier's brand and may cause consumers to choose other products.

***If any vended water became contaminated, Glacier's business could be seriously harmed.***

Glacier has adopted quality, environmental, health and safety standards. However, Glacier's water vending machines may not meet these standards or its products could otherwise become contaminated. A failure to meet such standards could result in expensive business interruptions and liability claims. Any of these failures or occurrences, or any allegation of these occurrences, even if unfounded, could negatively affect Glacier's business and financial performance. Even if Glacier's water does not ever become contaminated, a contamination of any vended water, including the water of its competitors, would be detrimental to the vended water business as a whole.

***Electrical outages, localized municipal tap water system shut-downs, "boil water" directives or increases in the cost of electricity or municipal tap water could adversely affect Glacier's business.***

Glacier's machines depend on a supply of electricity and water to operate. Any electrical outages or cut-off of municipal tap water supplies to Glacier's machines or a directive to boil municipal tap water sources for Glacier's machines, in each case, whether due to national disasters or otherwise, would cause Glacier to lose all revenue from the affected machines during that period and could, in addition, lower subsequent revenues if consumers perceive that there is a risk of contamination in Glacier's vended water. Additionally, if electricity or municipal water costs were to increase significantly, Glacier's retail partners may request that Glacier pay them a higher commission, which, if granted, would adversely affect Glacier's results of operations.

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***Glacier depends on the expertise of key personnel. If these individuals leave without replacement, Glacier's ability to implement its business strategies could be delayed or hindered.***

Glacier is dependent on the services of its senior management because of their experience, industry relationships and knowledge of the business. The loss of one or more of Glacier's key employees could seriously harm its business, and it may be difficult to find any replacement with the same or similar level of experience or expertise. Competition for these types of personnel is high, and Glacier can give no assurance that Glacier will be able to attract and retain qualified personnel on acceptable terms. Failure to recruit and retain such personnel could adversely affect Glacier's business, financial condition, results of operations and planned growth. Glacier does not have employment agreements with any employees and does not maintain key person insurance on any employee. On October 9, 2016, concurrently with the execution of the Merger Agreement, Primo and Brian H. McInerney signed an Employment Agreement, effective as of and conditioned upon the closing of the Merger, whereby Mr. McInerney will be appointed Executive Vice President of Primo and President of Primo's self-service filtered drinking water business in the United States and Canada, a copy of which is attached to this consent solicitation statement/prospectus as Appendix D.

***The distribution of Glacier's water and ice to consumers relies on the existence and financial health of its retail partners.***

Glacier's retail partners, such as food, drug, convenience, mass and other retailers, have faced significant consolidation in recent years, and these conditions may continue. Glacier relies on its retail partners in order to access its consumers. If Glacier's retail partners close sites or experience disruptions such as strikes or lock-outs, Glacier could lose access to some consumers, and its results of operations could be adversely affected.

***Adverse weather conditions could negatively impact Glacier's business.***

Glacier's business is subject to seasonal fluctuations, with decreased revenues during rainy or cold weather months and increased revenues during dry or hot weather months. In addition, unseasonable or unusual weather may reduce demand and revenues for its products. Variations in demand and revenues could negatively impact the timing of its cash flows and therefore limit its ability to timely service its obligations and pay its indebtedness.

***Glacier depends on key management information systems.***



Glacier processes orders, manages inventory and accounts receivable, maintains customer information and maintains cost-efficient operations through a management information systems (“MIS”) network connecting each of Glacier’s water vending machines with a central computing system located at its headquarters. Any disruption in the operation of its MIS tools, the loss of employees knowledgeable about such systems, or Glacier’s failure to continue to effectively modify such systems to accommodate changes in its business could require it to expend significant additional resources or to invest additional capital to continue to manage its business effectively. Additionally, Glacier’s MIS tools are vulnerable to interruptions or other failures resulting from, among other things, natural disasters, terrorist attacks, software, equipment or telecommunications failures, processing errors, computer viruses, hackers, other security issues or supplier defaults. Security, backup and disaster recovery measures may not be adequate or implemented properly to avoid such disruptions or failures. Any disruption or failure of these systems or services could cause substantial errors, processing inefficiencies, security breaches, inability to use the systems or process transactions, loss of consumers, loss of retail partners or other business disruptions, all of which could negatively affect Glacier’s business and financial performance.

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***Disruption in Glacier's supply chain could adversely affect it.***

A disruption in Glacier's supply chain could adversely affect Glacier's ability to assemble new machines and repair, maintain and retrofit existing machines. If Glacier cannot retain alternative sources of supply or effectively manage a disruption if it occurs, Glacier's sales and profitability could be adversely affected, and additional resources could be necessary to restore its supply chain.

***Introductions of new products may not prove successful, which could disrupt Glacier's business.***

Glacier recently entered the packaged ice business by installing in-store ice bagging machines in retail stores. Glacier expects that it may acquire or invest in new product lines, businesses or technologies that it believes would provide a strategic fit with its business or expand its business. Product development and investments are accompanied by potential risks and challenges that could disrupt Glacier's business operations, increase its operating costs or capital expenditure requirements and reduce the value of the new product line, business or technology.

***Increases in the price of fuel could have an adverse effect on Glacier's results of operations.***

While Glacier does not incur fuel costs to transport water, its field service personnel use substantial amounts of fuel in making service visits to its machines. As a result, a meaningful increase in fuel prices could negatively affect Glacier's margins and operating cash flows.

***Adverse economic conditions in the regions in which Glacier operates could negatively impact its financial results.***

High levels of unemployment or underemployment, or the effects of higher fuel and food prices on Glacier's customers' shopping budgets could have a number of different effects on Glacier's business, including (i) a reduction in consumer spending, which could result in a reduction in Glacier's sales volume and (ii) a shift in the purchase habits of Glacier's target customers. Other events or conditions that may arise directly or indirectly from global financial events could negatively impact Glacier's business.

***Glacier has incurred net losses in the past and may incur net losses in the future.***

Glacier has incurred net losses in the past and may incur net losses in the future. It has not been profitable in recent years, and it may not become profitable in the future. Its losses may continue as it incurs additional costs and expenses related to branding and marketing, expansion of operations, product development and development of relationships with retail partners. If Glacier's expenses exceed its expectations, its financial performance will be adversely affected. If Glacier does not achieve sustained profitability, it may need to raise additional capital in order to continue operations.

*Glacier's operations are subject to regulation at both the state and federal level.*

Glacier is subject to various federal, state and local laws and regulations which require Glacier, among other things, to obtain licenses for its business and machines, to pay annual license and inspection fees, to comply with certain detailed design and quality standards regarding the vending machines and the vended water and ice, and to continuously control the quality of the vended water and ice. Glacier's machines are subject to routine and random regulatory quality inspections. The enactment of additional or more stringent laws or regulations may cause a disruption in Glacier's operations in the future. Failure to comply with such current or future laws and regulations could result in fines against Glacier, a temporary shutdown of its operations or the loss of certification to sell its product.

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***Licensing or inspection fees payable by Glacier could increase.***

Glacier currently pays annual licensing fees and inspection fees to a number of states. Increases in such licensing or inspection fees payable by Glacier could adversely affect its financial results.

***Glacier's inability to protect its intellectual property could adversely affect its business and results of operations.***

The trade name and trademarks "Glacier Water" and "Glacier Water & Penguin Design" used by Glacier contain the word "Glacier," which is commonly used and has been registered in connection with other marks and designs by a number of other entities for water and related services. The mark "Glacier Water," by itself, is considered by the United States Patent and Trademark Office to be generic in relation to water and related services. Glacier believes that no party can claim exclusive rights to "Glacier Water," and Glacier may claim rights only to stylized forms of the mark or the mark with design elements. Glacier can, however, give no assurance that other entities might assert superior or exclusive rights to the marks and seek to obtain damages from the injunctive relief against it. Therefore, there can be no assurance that Glacier's use of the trade name and trademarks "Glacier Water" and "Glacier Water & Penguin Design" will not violate the claimed proprietary rights of others, which could adversely affect its business and results of operations.

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This consent solicitation statement/prospectus, including information included or incorporated by reference in this consent solicitation statement/prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can typically identify forward-looking statements by the use of forward-looking words such as “expect,” “anticipate,” “target,” “goal,” “project,” “intend,” “plan,” “believe,” “budget,” “should,” “could,” “forecast,” “may,” “might,” “potential,” “strategy,” “will,” “would,” “seek,” “estimate,” or variations of such words and expressions, although the absence of any such words or expressions does not mean that a particular statement is not a forward-looking statement. It is important to note that Primo’s and Glacier’s goals and expectations are not predictions of actual performance. Any statements regarding the benefits of the Merger, or Primo’s or Glacier’s future financial condition, results of operations and business are also forward-looking statements. Without limiting the generality of the preceding sentence, certain statements contained in the sections entitled “The Merger— Glacier’s Reasons for the Merger; Recommendation of the Glacier Board of Directors,” “The Merger—Primo’s Reasons for the Merger” and “The Merger—Background of the Merger” may constitute forward-looking statements.

These forward-looking statements represent Primo’s and Glacier’s intentions, plans, expectations, assumptions and beliefs about future events, including the completion of the Merger, and are subject to risks, uncertainties and other factors. Many of these factors are outside the control of Primo and Glacier and could cause actual results to differ materially from the results expressed or implied by these forward-looking statements. In addition to the risk factors described in the section entitled “Risk Factors” beginning on page 30, these factors include:

- those identified and disclosed in public filings with the SEC made by Primo;

- the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement;

- the inability to complete the Merger due to the failure to obtain Glacier stockholder approval or governmental or regulatory clearances or the failure to satisfy other conditions to the closing of the Merger;

- the failure of the Merger to be completed for any other reason, including the failure of Primo to obtain the debt financing;

- the length of time necessary to complete the Merger;

- the risk that the proposed Merger disrupts current plans and operations;

fluctuations in the market value of Primo common stock;

the effects of the Merger on Primo's financial results;

disruption from the Merger making it difficult to maintain business and operational relationships;

successfully integrating the Primo and Glacier businesses, and avoiding problems which may result in the Combined Company not operating as effectively and efficiently as expected;

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- the possibility that the expected benefits of the Merger will not be realized within the expected timeframe or at all;
- the direct and indirect costs incurred and that will be incurred by each of Primo and Glacier in connection with the Merger;
- the diversion of management time on Merger-related issues;
- prevailing economic, market and business conditions;
- the cost and availability of capital and any restrictions imposed by lenders or creditors;
- changes in the industries in which Primo and Glacier operate;
- the effects on the businesses of the companies resulting from uncertainty surrounding the Merger, including with respect to customers, employees or suppliers or the diversion of management's time and attention;
- the volatility and unpredictability of the stock market and credit market conditions;
- conditions beyond Primo's and Glacier's control, such as disaster, acts of war or terrorism;
- variations between the stated assumptions on which forward-looking statements are based and Primo's and Glacier's actual experience; and
- other economic, business, and/or competitive factors.

For any forward-looking statements made in this consent solicitation statement/prospectus or in any documents incorporated by reference into this consent solicitation statement/prospectus, Primo claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this consent solicitation statement/prospectus and should be read in conjunction with the risk factors and other disclosures contained or incorporated by reference into this consent solicitation statement/prospectus. The areas of risk and uncertainty described above, which are not exclusive, should be considered in connection with any written or oral forward-looking statements that may be made in this consent solicitation statement/prospectus or on, before or after the date of this consent solicitation statement/prospectus by Primo or Glacier or anyone acting for any or both of them. Except as required by applicable law or regulation, neither Primo nor Glacier undertake any obligation to release publicly or otherwise make any revisions to any forward-looking statements, to report events or circumstances after

the date of this consent solicitation statement/prospectus or to report the occurrence of unanticipated events. All subsequent written and oral forward-looking statements concerning the Merger or other matters addressed in this consent solicitation statement/prospectus and attributable to Primo, Glacier or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this consent solicitation statement/prospectus.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in reports filed with the SEC by Primo. For a list of the documents incorporated by reference, see the section entitled “Where You Can Find Additional Information” beginning on page 148.



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**SOLICITATION OF CONSENTS**

*This consent solicitation statement/prospectus is being provided to Glacier stockholders as part of a solicitation of consents by the Glacier board of directors. This consent solicitation statement/prospectus provides stockholders of Glacier with the information they need to know to be able to deliver a consent with respect to adoption and approval of the Merger and the Merger Agreement.*

***Purpose of the Consent Solicitation***

Glacier stockholders are being asked to consent to the adoption and approval of the Merger Agreement and the Merger. The Glacier board of directors has unanimously approved the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger, and has determined that the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger, are advisable and in the best interests of Glacier and its stockholders. The Glacier board of directors recommends that Glacier stockholders consent to adoption and approval of the Merger Agreement and the Merger.

***Record Date***

The Glacier board of directors has set October 6, 2016 as the Record Date for determining Glacier stockholders entitled to sign and deliver consents with respect to the adoption and approval of the Merger Agreement and the Merger.

***Glacier Stockholders Entitled to Consent***

Only Glacier stockholders of record as of the close of business on the Record Date are entitled to sign and deliver consents with respect to the adoption and approval of the Merger Agreement and the Merger. As of the close of business on the Record Date, there were 3,316,916 shares of Glacier common stock issued and outstanding and entitled to sign and deliver consents with respect to adoption and approval of the Merger Agreement and the Merger. Each share of Glacier common stock is entitled to one vote. Each Glacier stockholder is urged to return a completed, dated and signed consent on or before 9:00 a.m., New York City time, on December 7, 2016.

*Consents; Required Consents*

The delivery of the consent of the holders of a majority of the outstanding shares of Glacier common stock entitled to vote on the proposal is required under Delaware law and the Merger Agreement to consummate the Merger. In connection with the execution of the Merger Agreement, Primo and each of Glacier directors Richard Kayne, Brian McInerney and Charles Norris entered into voting agreements with respect to a portion of the outstanding shares of Glacier common stock held by them totaling approximately 33.3% of the issued and outstanding shares of Glacier common stock at the time of the execution of the Merger Agreement. Pursuant to the terms of the voting agreements, each of Mr. Kayne, Mr. McInerney and Mr. Norris agreed, among other things, to deliver consents with respect to the shares covered by the voting agreement in favor of adoption and approval of the Merger Agreement and the Merger, and against any Acquisition Proposal (as such term is defined in the Merger Agreement) or other action that could prevent, delay, impair, discourage, adversely affect or inhibit the timely consummation of the Merger. Glacier equityholders are urged to read the description of the voting agreements under the heading "The Voting Agreements" beginning on page 90 of this consent solicitation statement/prospectus.

In addition, as of the Record Date, all directors and executive officers of Glacier as a group owned and were entitled to deliver consents with respect to an additional 22.0% of the shares of Glacier common stock issued and outstanding on that date. Glacier currently expects that its directors and executive officers will deliver consents in favor of the adoption and approval of the Merger Agreement and the Merger. If they do so, a total of at least 55.3% of the outstanding shares of Glacier common stock will have consented to the adoption and approval of the Merger Agreement and the Merger, and both will be approved.

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*Submission of Consents*

Glacier stockholders may consent to the adoption and approval of the Merger Agreement and the Merger by completing, dating and signing the consent enclosed with this consent solicitation statement/prospectus and returning it to Glacier.

If you hold shares of Glacier common stock as of the close of business on the Record Date and you wish to give your consent, you must complete the enclosed consent, date and sign it, and promptly return it to Glacier. Once you have completed, dated and signed the consent, you may deliver it to Glacier by faxing your consent to Glacier, Attention: Secretary, at 760-560-0225, by emailing a .pdf copy of your consent to [steve.stringer@glacierwater.com](mailto:steve.stringer@glacierwater.com) or by mailing your consent to Glacier at 1385 Park Center Drive, Vista, California 92081, Attention: Secretary.

Glacier has set 9:00 a.m., New York City time, on December 7, 2016 as the target date for the receipt of consents. Glacier reserves the right to extend the final date for the receipt of consents beyond December 7, 2016, provided that no consent delivered more than 60 days from the earliest dated consent will be effective. Any such extension may be made without notice to Glacier stockholders. Once a sufficient number of consents to adopt and approve the Merger Agreement and the Merger have been received, the consent solicitation will conclude.

*Signing Consents; Revocation of Consents*

Glacier stockholders may sign a consent to adopt and approve the Merger Agreement and the Merger or to disapprove of adoption and approval of the Merger Agreement and the Merger.

If you are a record holder of Glacier common shares as of the close of business on the Record Date, you may change or revoke your consent (subject to any contractual obligations you may otherwise have) at any time before the consents of a sufficient number of shares of Glacier common stock to adopt and approve the Merger Agreement and the Merger have been filed with the Secretary of Glacier. If you wish to change or revoke your consent before that time, you may do so by delivering a notice of revocation by faxing such notice of revocation to Glacier, Attention: Secretary, at 760-560-0225, by emailing a .pdf copy of such notice of revocation to [steve.stringer@glacierwater.com](mailto:steve.stringer@glacierwater.com) or by mailing your notice of revocation to Glacier at 1385 Park Center Drive, Vista, California 92081, Attention: Secretary. However, pursuant to the terms of the voting agreements, the consents to be received by Glacier from each of Mr. Kayne, Mr. McInerney and Mr. Norris with respect to the shares covered by the voting agreements will be irrevocable prior to the termination of the voting agreements in accordance with their terms.

*Solicitation of Consents; Expenses*

The expense of preparing, printing and mailing these consent solicitation materials is being borne by Glacier. Officers and employees of Glacier may solicit consents by telephone and personally, in addition to solicitation by mail. These persons will receive their regular salaries but no special compensation for soliciting consents.

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**THE COMPANIES**

***Primo Water Corporation***

Primo is a leading provider of multi-gallon purified bottled water, self-service refill water and water dispensers sold through major retailers in the United States and Canada. Primo is a Delaware corporation that was founded in 2004 and is headquartered in Winston-Salem, North Carolina.

Primo has two operating segments and two reportable segments: Primo Water, which is referred to as “Water,” and Primo Dispensers, which is referred to as “Dispensers.” Primo utilizes a business strategy commonly referred to as “razor-razorblade” because the initial sale of Primo’s dispenser creates a base of users who purchase complementary water products. Once Primo’s bottled water is consumed using a water dispenser, empty bottles are exchanged at Primo recycling center displays, which provide a recycling ticket that offers a discount toward the purchase of a new bottle of Primo purified water (Primo’s “Exchange” business), or such empty bottles are refilled at self-service filtered water locations (Primo’s “Refill” business).

Primo’s Water segment sales consist of Exchange and Refill products, which are offered through retailers in the United States and Canada. Primo’s Water products are offered through point of purchase display racks or self-service filtered water displays and recycling centers that are located at major retailers in space that is often underutilized.

Primo’s Dispensers segment sells water dispensers designed to dispense Primo and other dispenser-compatible bottled water. Primo’s Dispenser sales are primarily generated through major retailers in the U.S. and Canada, where Primo recognizes revenues for the sale of the water dispensers when title is transferred. Primo supports retail sell-through with domestic inventory.

For the year ended December 31, 2015, Primo had net sales of \$127.0 million and net income of \$1.9 million.

Primo’s principal executive offices are located at 101 North Cherry Street, Suite 501, Winston-Salem, North Carolina 27101 and its telephone number is (336) 331-4000. Primo’s principal website is [www.primowater.com](http://www.primowater.com). Primo’s common stock is listed on the Nasdaq Global Market, trading under the symbol “PRMW.”

***Primo Subsidiary, Inc.***

On October 5, 2016, Primo formed Primo Subsidiary, Inc., which is referred to as “Merger Sub,” as a Delaware corporation and a direct, wholly-owned subsidiary of Primo, solely for the purpose of entering into the Merger Agreement and effecting the Merger and the other transactions contemplated by the Merger Agreement. At the completion of the Merger, Merger Sub will merge with and into Glacier with Glacier continuing as the surviving entity, and Glacier will continue to operate as a wholly-owned subsidiary of Primo.

Prior to the completion of the Merger, Merger Sub will not conduct any activities other than those incidental to its formation and the matters contemplated by the Merger Agreement.

***Glacier***

Glacier owns and operates the largest network of filtered drinking water vending machines in the United States and Canada, with approximately 22,600 machines in place at food, drug, convenience, mass and other major retailers as of October 2, 2016. Its machines apply a five-step, technologically advanced filtration process to produce high-quality, great-tasting drinking water that is dispensed by its machines into one-gallon or five-gallon containers provided by the customer. This business model eliminates the bottling and distribution infrastructure required to deliver traditional bottled water, thereby significantly reducing cost and the adverse environmental impact.

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Glacier's network of self-service, coin-operated and non-coin-operated water vending machines is supported by its in-house national field service organization. Glacier has a highly diversified retail partner base consisting of food, drug, convenience, mass and other retailers. Among its retail partners are Albertson's/Safeway, Circle K, CVS, Family Dollar, H-E-B, Kroger, Publix, Rite Aid, Save-Mart, Stater Brothers, Wal-Mart, Walgreens and Winn-Dixie.

For its fiscal year ended January 3, 2016, Glacier had revenues of \$138.3 million and a net loss of \$6.6 million.

Glacier Water Services, Inc. is a Delaware corporation which conducts its operations principally through GW Services, LLC, a California limited liability company, a majority-owned subsidiary. After the transactions referred to in the section titled "The Merger Agreement—Certain Other Effects of the Merger" beginning on page 72, GW Services, LLC will be a wholly-owned subsidiary of Glacier Water Services, Inc. Unless the context requires otherwise, these companies are referred to collectively as "Glacier."

Glacier's principal executive offices are located at 1385 Park Center Drive, Vista, California 92081, and its telephone number is 760-560-1111. Glacier common stock is not traded on an established market but is quoted in the Pink Sheets Electronic Quotation Service under the symbol "GWSV."

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**THE MERGER**

**The Merger**

Primo and Glacier agreed to the acquisition of Glacier by Primo under the terms of the Merger Agreement described in this consent solicitation statement/prospectus. Pursuant to the Merger Agreement, Merger Sub will merge with and into Glacier, with Glacier continuing as the surviving corporation and a wholly-owned subsidiary of Primo. Primo and Glacier have attached the Merger Agreement as Appendix A to this consent solicitation statement/prospectus. Primo and Glacier encourage you to carefully read the Merger Agreement in its entirety because it is the legal document that governs the Merger.

**Effect of the Merger; Merger Consideration**

Under the Merger Agreement, Primo will pay an aggregate purchase price equal to:

approximately \$263.0 million, consisting of:

approximately \$86.1 million in closing consideration payable to Glacier equityholders, which is allocated as follows, prior to the adjustments described below:

approximately \$49,932,724 (or 58% of such closing consideration) payable in cash; and

approximately \$36,158,180 (or 42% of such closing consideration) payable in shares of Primo common stock; and

in each case, subject to adjustment to the extent Glacier incurs certain transaction expenses or incurs additional debt in excess of its estimated indebtedness as of the date of the Merger Agreement other than debt under its credit agreement; and

approximately \$177.0 million of net indebtedness and preferred interests being assumed (\$81.0 million) and/or retired (\$96.0 million) by Primo (the "Assumed Debt"),



warrants to purchase 2.0 million shares of Primo common stock at an exercise price equal to \$11.88 per share of Primo common stock.

The exact cash consideration payable to each Glacier equityholder will be calculated by reducing \$49,932,724 by the amounts of the Transaction Expense Exclusion, the Transaction Expenses and any Company Debt (other than Assumed Debt) which, in the aggregate, the parties estimate will equal approximately \$5.6 million. In addition, the exact consideration payable to each Glacier equityholder in shares of Primo common stock will be calculated by adding to \$36,158,180 the Transaction Expense Exclusion, which the parties estimate will equal approximately \$1.65 million, and dividing such resulting amount by \$11.88 and then further dividing the resulting amount by the number of shares of Fully-Diluted Company Stock outstanding immediately prior to the effective time of the Merger. The exact consideration payable to each Glacier equityholder in warrants will be calculated by dividing 2.0 million by the number of Fully-Diluted Company Stock outstanding immediately prior to the effective time of the Merger.

The warrants have an exercise price equal to \$11.88 per share of Primo common stock. Approximately one-third of the warrants will vest six months following the Closing Date and an additional one-third will vest on each of nine months and one year following the Closing Date. The warrants will be exercisable until the fifth anniversary of the Closing Date.

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Upon completion of the Merger, each share of Glacier common stock issued and outstanding immediately prior to the effective time of the Merger (other than any shares of Glacier common stock as to which the holders of such shares have properly complied with the provisions of Section 262 of the DGCL as to appraisal rights or shares owned by Glacier or any of its subsidiaries), each minority LLC common unit issued and outstanding immediately prior to the effective time of the Merger, and each Option Allocated Share will be converted into the right to receive the Per Share Cash Amount, the Per Share Stock Amount, and the Per Share Warrant Amount. With respect to the cash and stock portions of the Merger consideration payable to each Option Allocated Share, such Merger consideration will be allocated to each Option Allocated Share in the same manner as allocated to holders of Glacier common stock, such that approximately 58% of the aggregate Merger consideration (excluding the warrants to purchase shares of Primo common stock and Assumed Debt) is paid in cash and approximately 42% of the aggregate Merger consideration (excluding the warrants to purchase shares of Primo common stock and Assumed Debt) is paid in shares of Primo common stock, in each case, subject to adjustment to the extent Glacier issues additional shares, incurs certain transaction expenses or incurs additional debt in excess of its estimated indebtedness as of the date of the Merger Agreement other than debt under its credit agreement.

Primo will not issue fractional shares of Primo common stock in the Merger. As a result, Glacier equityholders will receive cash for any fractional share of Primo common stock that they would otherwise be entitled to receive in the Merger. After the Merger is completed, Glacier equityholders will have only the right to receive the Merger consideration and any cash in lieu of such fractional shares of Primo common stock or, in the case of Glacier stockholders that properly exercise and perfect appraisal rights, the right to receive the fair market value for such shares, and will no longer have any rights as Glacier equityholders, including voting or other rights.

For a full description of the Merger consideration, see the section titled “The Merger Agreement—Merger Consideration” beginning on page 69 of this consent solicitation statement/prospectus.

**Background of the Merger**

Primo’s senior management has regularly evaluated and periodically reviewed with the Primo board of directors business development opportunities, including acquisitions that are aligned with Primo’s business. As part of this review, Primo identified Glacier as a potential candidate for a strategic transaction that could offer significant synergies with Primo’s existing business, including expanding its retail footprint, diversifying its revenue stream and providing additional opportunities for Primo’s products.

The board of directors and senior management team of Glacier continually review the Company’s performance, competitive position and future growth prospects with a view to enhancing stockholder value. These reviews have included organic growth opportunities, mergers, acquisitions, corporate structure and capitalization strategies. From time to time, members of Glacier’s senior management teams have met with senior management of other companies

within the industry in which they operate, to discuss industry developments, partnerships and potential strategic transactions.

In November 2012, Billy D. Prim, Primo's Chairman and Chief Executive Officer, and Charles A. Norris, Glacier's Chairman of the Board, met to see if discussing a potential combination of Primo and Glacier might be of interest. The parties entered into a confidentiality agreement on December 18, 2012 to enable preliminary discussions. Thereafter, Mr. Prim and Mr. Norris had general discussions which did not advance.

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Subsequently, beginning at the end of 2014 and continuing into 2015, Mr. Prim and Mr. Norris had periodic contact about the possibility of a strategic business combination between Primo and Glacier. In December 2014, Mr. Prim received a call from Richard A. Kayne, a director and significant stockholder of Glacier, inquiring whether Primo would be interested in discussing a potential strategic business combination with Glacier. Following this conversation, Mr. Prim updated the Primo board of directors and Primo engaged BMO Capital Markets Corp. (“BMO”) to assist in evaluating a potential combination.

On March 9, 2015, Mr. Prim met with Mr. Norris and Mr. Kayne, to discuss the merits of a potential business combination. A representative from BMO also participated in the meeting. At the meeting, the Glacier representatives indicated that Glacier might be interested in pursuing a transaction at a price per share of Glacier common stock \$30. The Primo representatives indicated that Primo would not proceed at that price, but that Primo might be willing to pay aggregate consideration of approximately \$250 million, which included the assumption of certain indebtedness.

Thereafter through September 2015, Mr. Prim and Mr. Norris held periodic discussions regarding a potential business combination and ways to bridge the valuation gap. These discussions included possibilities of contingent consideration, variations of cash and Primo stock, as well as different price levels and financing considerations.

On September 2, 2015, Glacier engaged JP Morgan as its financial advisor to explore the possibility of a strategic combination or of a possible sale of Glacier.

On September 29, 2015, Primo and Glacier entered into a new confidentiality agreement relating to a potential transaction.

On October 22, 2015, Mr. Prim, Matthew T. Sheehan, Primo’s President and Chief Operating Officer, and Mark Castaneda, Primo’s Chief Financial Officer, met with Mr. Norris and Brian H. McInerney, Glacier’s President and Chief Executive Officer, to discuss potential transaction parameters and terms, as well as estimated synergies. Representatives from BMO were also present at the meeting. In connection with those conversations, Primo increased its offer to acquire Glacier to an aggregate purchase price of \$260 million, including Primo stock in exchange for Glacier common stock, retirement of Glacier’s existing Series B Junior Subordinated Debentures and noncontrolling interest in Glacier’s subsidiary, and assumption of all other Glacier debt. The Glacier representatives indicated that they were not interested in further discussions at these levels.

On October 25, 2015, at a meeting of the Primo board of directors, Mr. Prim provided an update regarding the current state of discussions with Glacier.

On November 13, 2015, representatives of each of BMO and JP Morgan discussed Primo's October 22, 2015 offer and the BMO representatives indicated, at Primo's direction, that Primo would be open to discussing the possibility of including a performance-based earnout as part of the consideration for a transaction.

On November 24, 2015, JP Morgan communicated with representatives of BMO reiterating Glacier's desire for a per share price of \$30 to Glacier stockholders, suggested that Primo consider alternative structures to its October 22, 2015 offer and emphasized that cash consideration at closing would be paramount to agreeing on a transaction.

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On December 9, 2015, Mr. Prim communicated to Mr. Norris a revised offer based on the same aggregate purchase price, but where half of the consideration to Glacier stockholders would consist of stock and half would consist of cash. In addition, Primo would use stock to retire Glacier's existing Series B Junior Subordinated Debentures, revolving line of credit and the noncontrolling interest in Glacier's subsidiary. Primo would assume all of Glacier's other outstanding debt.

For the remainder of December 2015 through February 2016, members of Primo management and members of Glacier management continued to have periodic conversations without reaching agreement or proposing specific new terms.

On March 17, 2016, Mr. Norris informed Mr. Prim that it was his belief that Glacier would ultimately be willing to agree to an acquisition at a purchase price of \$23 per share of Glacier common stock, so long as 85% of the consideration to stockholders is paid in cash and 15% in stock, and a performance-based earnout is included. Mr. Norris indicated that he would communicate with the Glacier board of directors and provide further confirmation.

On June 1, 2016, Mr. Norris told Mr. Prim that Glacier's board of directors was willing to explore further the terms on which the parties might agree to a transaction.

On June 7, 2016, representatives of each of BMO and JP Morgan discussed potential financial terms for the proposed acquisition of Glacier at a purchase price of \$23 per share, with a mix of 80% stock and 20% cash consideration to stockholders and which would include an earnout component to be determined after diligence. Those potential terms provided that Primo would use cash to retire Glacier's existing Series B Junior Subordinated Debentures, revolving line of credit and the noncontrolling interest in Glacier's subsidiary. Primo had obtained a bid support letter from Goldman Sachs dated June 1, 2016, confirming its interest in providing a debt financing to complete the transaction.

During the remainder of June 2016 and into July 2016, Primo and Glacier exchanged comments on the potential terms for a transaction and Primo management provided Glacier management with materials in support of its offer.

On July 22, 2016, Mr. Prim communicated to Mr. Norris a revised offer which decreased the aggregate purchase price to \$250 million, but included an earnout component that would be based on exceeding an adjusted EBITDA target for 2018 for the Glacier business, plus the refill business of Primo. The offer included a shift in the cash/stock mix to 70% cash and 30% stock consideration and a fixed exchange ratio based on the volume-weighted average daily closing price per share for Primo common stock over the 60-days ending on the last business day before the date of a merger agreement.

On July 25, 2016, on behalf of Glacier, JP Morgan communicated a counter offer to representatives of BMO based on an approximate \$260 million aggregate purchase price, but with the other terms remaining roughly the same.

On July 26, 2016, at a meeting of the Primo board of directors Mr. Prim and Mr. Castaneda provided an update with respect to the status of negotiations with Glacier and potential alternatives for financing such a transaction. Following discussion, the Primo board of directors authorized management to continue negotiations, enter an exclusivity arrangement and pursue potential financing arrangements.

On July 27, 2016, at Primo's direction, representatives of BMO communicated a revised offer to JP Morgan based on the same aggregate purchase price, but decreasing the cash portion of the per share consideration and increasing the stock portion.

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On July 29, 2016, Primo and Glacier executed an exclusivity letter, which provided for an initial exclusivity period of 30 days with an automatic 30-day extension. The parties then exchanged diligence requests.

On August 11, 2016, Mr. Prim, Mr. Sheehan and Mr. Castaneda met with Mr. Norris and Mr. McInerney in person to negotiate outstanding deal points, including the aggregate purchase price, the mix of cash and stock consideration and the structure and application of the earnout. At this meeting, the parties discussed whether the proposed earnout structure would be too cumbersome to administer. Following this meeting, Mr. Norris communicated revised terms to Primo based on a \$25 per share purchase price, composed of 40% stock and 60% cash consideration and the same earnout structure.

Between August 11, 2016 and August 25, 2016, the parties traded counteroffers within a purchase price range of \$23 to \$25 per share, increasing the percentage of cash consideration, and shifted from implementing an earnout to including warrants to purchase Primo common stock as part of the purchase consideration.

On August 29, 2016, the parties executed a non-binding term sheet reflecting purchase price of \$24 per share, based on a mix of 58% cash and 42% stock consideration, which per share purchase price was subsequently modified based on the parties' more detailed discussions concerning responsibility for transaction-related expenses. The aggregate purchase price would also include warrants to purchase an aggregate of 2,000,000 shares of Primo common stock exercisable over five years at a strike price that would equal the 60-day volume-weighted average daily closing price of Primo common stock on the last business day before the date of a merger agreement. Holders of the minority interest in Glacier's majority-owned subsidiary would receive the same consideration as holders of shares of Glacier common stock in exchange for the cancellation of their interests. The calculation of the exchange ratio remained the same as proposed. The term sheet reflected that the noncontrolling interest, revolving line of credit and Series B Junior Subordinated Debentures would be retired with cash and Primo would assume the remaining Glacier debt. The term sheet also reflected that Mr. McInerney would enter into an employment agreement with Primo at closing to lead the Combined Company's refill business and that Primo would use its reasonable best efforts to appoint Mr. Norris to the Primo board of directors following the merger.

From August 29, 2016 through October 7, 2016, the parties, together with their legal and financial advisors, conducted due diligence with respect to the proposed transaction.

On September 1, 2016, Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P. Primo's legal counsel ("Smith Anderson"), sent an initial draft of the Merger Agreement to Ervin Cohen & Jessup LLP, Glacier's legal counsel ("ECJ"). ECJ provided a limited list of high level issues to Smith Anderson on September 7, 2016 and a revised draft of the Merger Agreement on September 13, 2016 addressing, among other things, mutual termination fees, payable by Primo only upon failure to obtain financing for closing, adjustments to the purchase price and the terms of an escrow to be applied to the stock consideration. Subsequently, the parties continued to discuss and exchange drafts of the Merger



Agreement.

On September 15, 2016, Mr. Prim and Mr. Sheehan, together with representatives from Primo's finance department, met with Mr. Norris and Mr. McInerney, as well as other representatives from Glacier, for an in-person diligence and strategy session.

On September 21 and 24, 2016, Smith Anderson sent drafts of the ancillary agreements, including a form of voting agreement to be entered into by certain holders of Glacier's common stock with respect to approximately 33.3% of all currently outstanding shares of Glacier common stock and a form of warrant agreement. Subsequently, the parties continued to discuss and exchange drafts of such documents.

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On October 6, 2016, the Glacier board of directors held a telephonic meeting to consider the proposed transaction. All directors were present by telephone, as was David Shladovsky, General Counsel of Kayne Anderson Capital Advisors, L.P. Mr. Norris reviewed the principal terms of the proposed Merger Agreement and the related transaction documents and there was a general discussion of those terms and of other matters relating to the proposed Merger. Following this discussion, the Glacier board of directors unanimously determined that the Merger and its terms were fair to and in the best interests of Glacier's stockholders, approved the Merger Agreement and the Merger and related transactions and adopted a resolution to submit the Merger and the Merger Agreement to Glacier's stockholders for their approval, with the recommendation that they be approved.

On October 7, 2016, the Primo board of directors held a telephonic meeting to consider the proposed transaction. At the request of the Primo board of directors, representatives of BMO, Smith Anderson and K&L Gates LLP participated in the meeting. The Primo board of directors reviewed and discussed the proposed acquisition of Glacier. Representatives of Smith Anderson then reviewed the terms of the proposed Merger Agreement, voting agreement and other transaction documents to be entered into with Glacier and certain of its stockholders, as well as the warrant agreement and other matters relating to the transaction. Following discussion, the Primo board of directors unanimously approved the Merger Agreement and related documents and other matters in connection with the transaction.

On October 9, 2016, the parties finalized and executed the Merger Agreement and the voting agreements. On October 10, 2016, Primo and Glacier issued a joint press release announcing the transaction.

### **Ownership of Primo Following the Merger**

The Glacier equityholders will own in the aggregate approximately 10.9% of the outstanding shares of Primo common stock immediately following consummation of the Merger.

### **Board of Directors and Management of Primo Following the Merger**

The directors and officers of Primo immediately prior to the effective time of the Merger will continue to be directors and officers of Primo immediately following the Merger. Pursuant to the terms of the Merger Agreement, Primo has agreed to appoint Charles A. Norris to serve as a member of Class III of Primo's board of directors for a term that would expire at Primo's 2019 annual meeting of stockholders and to elect Brian H. McInerney to serve as Primo's Executive Vice President and President of its Refill business in the United States and Canada, each immediately following the Merger.

Mr. Norris has served as Chairman of Glacier's Board of Directors since June 2001. Mr. Norris is the retired President of McKesson Water Products Company, a bottled water company and wholly-owned subsidiary of McKesson Corporation, where he served as President from 1990 until he retired in October 2000. From 1981 to 1990, Mr. Norris served as President of Deer Park Spring Water Company (now a subsidiary of Nestlé Waters North America) and served in various operational executive positions with Nestlé in both Switzerland and the United States from 1973 to 1985. Mr. Norris is a past Chairman of the International Bottled Water Association, and he is the current Chairman of the Board of Freshpet, Inc., a NASDAQ listed pet food company located in Secaucus, New Jersey.

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Mr. McInerney is Glacier's President and Chief Executive Officer, roles in which he has served since 2001. Prior to joining Glacier, Mr. McInerney was the Vice President, Worldwide Autolite Products for Honeywell International (previously AlliedSignal), a manufacturing company. Mr. McInerney joined AlliedSignal in 1997 and served in various marketing management positions. Mr. McInerney began his marketing career at Nabisco, a diversified food company. Prior thereto, Mr. McInerney was employed by KPMG, a global accounting and consulting firm, as a financial auditor.

Information about current directors and executive officers of Primo, including biographical information, executive compensation and stock ownership, can be found in Primo's proxy statement for the 2016 annual meeting of Primo stockholders and Annual Report on Form 10-K for the fiscal year ended December 31, 2015, both of which are filed with the SEC and incorporated by reference into this consent solicitation statement/prospectus. See the section titled "Where You Can Find Additional Information" beginning on page 148 of this consent solicitation statement/prospectus.

**Primo's Reasons for the Merger**

Primo believes that the acquisition of Glacier will enable Primo to expand its reach and better serve clients in the self-service refill water business. In approving the Merger and the other transactions contemplated by the Merger Agreement, the Primo board of directors considered a variety of factors related to these strategic priorities, including the following:

- the acquisition of a market leader in the self-service refill water business, including Glacier's more than 20,000 self-service refill locations and the diversity and breath of its retail partnerships and trade channels;
- the potential doubling of certain key financial results, including revenue, operating income and adjusted EBITDA;
- the opportunity to further diversify Primo's retailer relationships, including a significant reduction in Primo's pre-Merger reliance on its top retailers, and expand product offerings and cross-selling relationships within those relationships;
- the opportunity to achieve operational and shared service synergies, including:
  - o decreased reliance on outsourced technicians and enhanced support of retail locations by Primo technicians;

o

consolidation of shared and back-office services, where Primo can take advantage of Glacier's and Primo's respective best practices; and

capital investment optimization through improvements in preventative maintenance and equipment refurbishment, and reduced reliance on outsourcing machine assembly and refurbishment as Glacier's additional volume provides the opportunity for conducting such operations in-house;

the opportunity for increased cross-selling in more diverse retail channels, including the opportunity for Primo dispenser customers to connect with Primo and Glacier water locations;

the addition of Glacier's key management personnel, including an experienced leadership team led by Mr. McInerney, President and Chief Executive Officer of Glacier, who, effective upon the closing of the Merger, will serve as Primo's Executive Vice President and President of its Refill operations;

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the opportunity to reduce operating costs, lower product costs, further develop enterprise structure and expand its higher margin business;

the opportunity to achieve efficiencies with suppliers with increased, consolidated purchasing power, to create exclusive products and to offer lower product prices; and

- the potential to achieve net synergies and enhance cash-flow streams through the combination of the businesses to provide greater ability to pay down debt.

The Primo board of directors also considered potential risks and potentially negative factors concerning the Merger in connection with its deliberations on the Merger and the other transactions contemplated by the Merger Agreement, including the following:

the increased debt to be incurred by Primo in connection with the Merger;

the possibility that Primo's ability to engage in additional acquisitions may be more limited after the Merger;

the possibility that the market price of Primo's common stock following the Merger may be subject to significant fluctuations and may be affected by factors different from those affecting the market price of Primo's common stock prior to the Merger;

the risk that Primo cannot successfully integrate the Primo and Glacier businesses, and avoid problems which may result in Primo not operating as effectively or efficiently as expected after the Merger;

the possibility that anticipated synergies would be more difficult to achieve, would take longer to achieve than anticipated, or may not occur at all;

the possibility that integration of Glacier's business with that of Primo may divert management's attention away from operations;

the risk that Primo may suffer adverse effects from uncertainty surrounding the Merger, including with respect to customers, employees or suppliers;

the risk that Primo's future results may suffer if Primo does not effectively manage its expanded operations following completion of the Merger;

the risk that, as a result of the Merger, the Combined Company might experience customer attrition; and

the potential challenges of integrating Primo's and Glacier's operations.

The foregoing discussion of factors considered by the Primo board of directors is not intended to be exhaustive. In view of the wide variety of factors considered in connection with its evaluation of the Merger and the complexity of these matters, the Primo board of directors did not find it useful, and did not attempt, to quantify, rank or otherwise assign any relative or specific weights to the factors that it considered in reaching its determination to approve the Merger and the Merger Agreement. In addition, individual members of the Primo board of directors may have given differing weights to different factors. The Primo board of directors conducted an overall review of the factors described above and other material factors, including through discussions with, and inquiry of, Primo's management and outside legal, financial and accounting advisors regarding certain of the matters described above.

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**Glacier's Reasons for the Merger; Recommendation of the Glacier Board of Directors**

The Glacier board of directors believes that the Merger will provide the Glacier stockholders with the opportunity to receive fair value for their shares of Glacier common stock. Since 2006, shares of Glacier common stock have not been actively traded but have been quoted in the Pink Sheets Electronic Quotation Service under the symbol "GWSV." Accordingly, Glacier stockholders have not had a liquid market for their stock, and it has been difficult for them to realize fair value for their shares. Glacier believes that the mix of cash, shares of Primo common stock and warrants to purchase shares of Primo common stock, which Glacier stockholders will receive in connection with the Merger, represents fair value for their shares of Glacier common stock. In particular, it considered that the shares of Primo common stock and warrants to purchase shares of Primo common stock to which the Glacier stockholders will be entitled in connection with the Merger will provide the Glacier stockholders with the opportunity to participate in the operational and financial advantages of the Combined Company, which it expects will result from the Merger, including operational efficiencies, expansion opportunities, the ability to reduce costs and the ability to expand its product offerings. In reaching its conclusion that it expects the Merger to result in these advantages, the Glacier board of directors considered both the opportunities and risks of the business combination.

For these reasons, Glacier believes that the consideration to be received by the Glacier stockholders for their shares of Glacier common stock represents a significant premium over the amount which the Glacier stockholders would be able to receive for their Glacier shares of common stock in the current market, and that the Merger is fair to and in the best interests of its stockholders. Accordingly, the Glacier board of directors recommends that the Glacier stockholders consent to adopt and approve the Merger Agreement and the Merger.

The foregoing discussion of factors considered by the Glacier board of directors is not intended to be exhaustive. In view of the wide variety of factors considered in connection with its evaluation of the Merger and the complexity of these matters, the Glacier board of directors did not find it useful, and did not attempt, to quantify, rank or otherwise assign any relative or specific weights to the factors that it considered in reaching its determination to approve the Merger and the Merger Agreement. In addition, individual members of the Glacier board of directors may have given differing weights to different factors. The Glacier board of directors conducted an overall review of the factors described above and other material factors, including through discussions with, and inquiry of, Glacier's management and outside legal and financial advisors regarding certain of the matters described above.

**Stock Ownership of Glacier Directors and Executive Officers**

Richard Kayne, Brian McInerney and Charles Norris, each of whom is a director and one of whom is also an executive officer of Glacier, have entered into voting agreements with Primo under which they have agreed to sign and return consents adopting and approving the Merger Agreement and the Merger, with respect to approximately 33.3% of the outstanding shares of Glacier common stock.



As of the Record Date, all directors and executive officers of Glacier as a group owned and were entitled to grant consents with respect to an additional 22.0% of the shares of Glacier common stock issued and outstanding on that date. Glacier currently expects that its directors and executive officers will sign and deliver consents in favor of the adoption and approval of the Merger Agreement and the Merger. If they do so, a total of at least 55.3% of the outstanding shares of Glacier common stock will have consented to the adoption and approval of the Merger Agreement and the Merger, and both will be approved.

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**Interests of Glacier Directors and Executive Officers in the Merger**

Glacier's directors and executive officers own a total of approximately 55.3% of the outstanding shares of Glacier common stock and, assuming approval of the Merger Agreement and the Merger, will have the right to receive the Merger consideration with respect to those shares.

In addition, each of Mr. Kayne and Peter Neuwirth, two of Glacier's directors, is a member of Glacier Water Holdings, LLC, the holder of the minority LLC common units, and own 48.6% and 3.5%, respectively of the interests in that entity. As such, they will receive, indirectly, a total of approximately 52% of the amounts payable on account of the following transactions, each of which will happen concurrently with the Merger: (i) the purchase by Primo of the 214,129 minority LLC common units for per unit consideration equal to the Merger consideration to be paid for each share of Glacier Common Stock and (ii) the acquisition by Glacier, with funds provided by Primo, of \$29.0 million of preferred interests in GW Services, LLC, in consideration of the payment of 135% of the principal amount thereof, plus the accrued preferred return thereon (or a total of approximately \$39.2 million). For more information, see the section titled "The Merger Agreement—Certain Other Effects of the Merger" beginning on page 72 of this consent solicitation statement/prospectus.

Moreover, Mr. Kayne, Mr. Neuwirth, Mr. Norris, William Bell, and Heidi Yodowitz, each directors of Glacier, own \$3,166,650, \$125,000, \$468,750, \$25,000 and \$25,000, respectively, of principal amount of Glacier's Series B Junior Subordinated Debentures, which will also be redeemed concurrently with the Merger. See "The Merger Agreement—Certain Other Effects of the Merger" beginning on page 72 of this consent solicitation statement/prospectus.

Glacier intends to pay transaction bonuses to the following Glacier executive officers in the following amounts (i) to Brian McInerney, Chief Executive Officer of Glacier, (A) \$880,000 in cash compensation and (B) 48,696 shares of Glacier common stock and (ii) to Steve Stringer, Chief Financial Officer of Glacier, \$500,000 in cash compensation.

Primo entered into voting agreements with each of Glacier directors Mr. Kayne, Mr. McInerney and Mr. Norris with respect to a portion of their shares representing approximately 33.3% of all currently outstanding shares of Glacier common stock, each of which is attached as Appendix C to this consent solicitation statement/prospectus. In addition, concurrently with the closing of the Merger, each of the Glacier directors will enter into lock-up agreements with Primo, the form of which is attached to this consent solicitation statement/prospectus as Appendix E.

Primo has agreed, if the Merger is consummated, to use reasonable best efforts to cause its board of directors to appoint Mr. Norris, the Chairman of the Glacier board of directors, as a member of Class III of Primo's board of directors for a term that would expire in 2019.

On October 9, 2016, concurrently with the execution of the Merger Agreement, Primo and Brian H. McInerney signed the Employment Agreement, effective as of and conditioned upon the closing of the Merger, whereby Mr. McInerney will be appointed Executive Vice President of Primo and President of Primo's self-service filtered drinking water business in the United States and Canada. Mr. McInerney will receive an annual base salary of \$412,000, with a target bonus equal to 50% of his base salary. The Employment Agreement also provides Mr. McInerney the right to participate in Primo's Value Creation Plan and the right to receive at least 3.5% of the bonus pool awarded to all participants under the Value Creation Plan in any fiscal year beginning in fiscal year 2017.

The Employment Agreement provides that if Mr. McInerney is terminated without Cause or resigns for Good Reason (as such terms are defined in the Employment Agreement), Mr. McInerney will receive (i) base salary and vacation pay earned through the termination date, (ii) any applicable prorated annual bonus, based on actual performance for the year of termination as determined by Primo's board of directors in its discretion and (iii) any accrued but unpaid annual bonus for the fiscal year immediately preceding the year of termination.

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If Primo does not renew the Employment Agreement at the end of the Original Term or any Renewal Term (as such terms are defined in the Employment Agreement), Mr. McInerney's employment is terminated without Cause or Mr. McInerney resigns for Good Reason, Mr. McInerney will receive an amount equal to the sum of (a) the highest base salary in effect during the twelve months immediately prior to the termination plus (b) the average annual bonus earned by Mr. McInerney for the most recent two fiscal years ending prior to the termination date. Additionally, in these circumstances, Mr. McInerney will receive continuation of health benefits or payment of COBRA health insurance premiums for up to 12 months following termination and the immediate vesting of any equity compensation awards granted by Primo that were otherwise scheduled to vest within six months after the termination date.

The Employment Agreement provides that if Mr. McInerney is terminated without Cause or resigns for Good Reason in connection with or within two years of a Change of Control (as such term is defined in the Employment Agreement), Mr. McInerney will receive in addition to any amounts otherwise payable under the Employment Agreement in connection with the termination of employment an amount equal to one-half the sum of (a) the highest base salary in effect during the twelve months immediately prior to the termination plus (b) the average annual bonus earned by Mr. McInerney for the most recent two fiscal years ending prior to the termination date. In such case, Mr. McInerney will also be entitled to an additional six months of health benefits continuation or payment of COBRA health insurance premiums and immediate vesting of all outstanding unvested equity awards.

Additionally, when the Employment Agreement becomes effective, Mr. McInerney will be granted a long term incentive equity award under Primo's 2010 Omnibus Long-Term Incentive Plan in the form of a stock option to purchase 50,000 shares of Primo common stock, which will vest in four equal annual installments.

The material terms of the Employment Agreement were negotiated after Primo and Glacier agreed in principle on the aggregate Merger consideration payable to Glacier equityholders in connection with the Merger.

A copy of the Employment Agreement is attached to this consent solicitation statement/prospectus as Appendix D and is filed as Exhibit 10.4 to the registration statement of which this consent solicitation statement/prospectus forms a part, and is hereby incorporated herein by reference. The foregoing description of the Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Employment Agreement.

## **Accounting Treatment**

Primo and Glacier prepare their financial statements in accordance with GAAP. The Merger will be accounted for in accordance with FASB ASC Topic 805, Business Combinations, with Primo considered as the accounting acquirer and Glacier as the accounting acquiree. Accordingly, consideration to be given by Primo to complete the Merger with

Glacier will be allocated to assets and liabilities of Glacier based on their estimated fair values as of the completion date of the Merger, with any excess Merger consideration being recorded as goodwill.

### **Listing of Primo Common Stock**

Primo intends to submit a supplemental listing application to list on the Nasdaq Global Market the shares of Primo common stock and the shares of Primo common stock underlying the warrants that Primo will issue in the Merger as part of the Merger consideration. Primo's use of reasonable efforts to submit such supplemental listing application is a condition to completion of the Merger. The warrants to purchase shares of Primo common stock will not be listed on the Nasdaq Global Market or any other exchange.

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**Appraisal Rights**

If the Merger is completed, Glacier stockholders who do not consent to the adoption of the Merger Agreement and who properly demand appraisal of their shares and who do not withdraw such demand or lose their right to appraisal will be entitled to appraisal rights in connection with the Merger under Section 262 of the DGCL. Glacier stockholders wishing to exercise the right to seek an appraisal of their shares of Glacier common stock must fully comply with Section 262 of the DGCL, which means doing, among other things, ALL of the following:

- the stockholder must not consent to the Merger;

- the stockholder must deliver to Glacier a written demand for appraisal of the stockholder's shares with 20 days of the date of mailing of this consent solicitation statement/prospectus, which constitutes Glacier's notice to stockholders that appraisal rights are available in connection with the Merger;

- the stockholder must continuously hold the shares of Glacier common stock from the date of making the demand through the effective time of the Merger (a stockholder will lose appraisal rights if the stockholder transfers the shares before the effective time); and

- the stockholder or the surviving corporation must file a petition in the Court of Chancery of the State of Delaware requesting a determination of the fair value of the shares within 120 days after the effective time of the Merger. The surviving corporation is under no obligation to file any petition and has no present intention of doing so.

The following discussion is not a complete statement of the law pertaining to appraisal rights under the DGCL and is qualified in its entirety by the full text of Section 262 of the DGCL, which is attached to this consent solicitation statement/prospectus as Appendix F and incorporated herein by reference. The following summary does not constitute any legal or other advice and does not constitute a recommendation that stockholders exercise their appraisal rights under Section 262 of the DGCL. Under Section 262, where a merger is approved pursuant to Section 228 of the DGCL, such as the Merger then, either a constituent corporation before the effective date of the merger, or the surviving corporation in the Merger within ten days thereafter, shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of Section 262.

*Filing Written Demand*

Only a holder of record of shares of Glacier common stock issued and outstanding immediately prior to the effectiveness of the Merger (the "Effective Time") will be entitled to assert appraisal rights for the shares of Glacier common stock registered in that holder's name. A demand for appraisal in respect of shares of Glacier common stock issued and outstanding immediately prior to the Effective Time should be executed by or on behalf of the holder of record, fully and correctly, as his, her or its name appears on his, her or its stock certificates, and must state that such person intends thereby to demand appraisal of his, her or its shares of Glacier common stock issued and outstanding immediately prior to the Effective Time in connection with the Merger. If the shares of Glacier common stock are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of the demand should be made in that capacity, and if the shares of Glacier common stock are owned of record by more than one person, as in a joint tenancy and tenancy in common, the demand should be executed by or on behalf of all joint owners. An authorized agent, including two or more joint owners, may execute a demand for appraisal on behalf of a holder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, the agent is acting as agent for such owner or owners. A record holder, such as a broker who holds shares of Glacier common stock as nominee for several beneficial owners, may exercise appraisal rights with respect to the shares of Glacier common stock issued and outstanding immediately prior to the Effective Time held for one or more beneficial owners while not exercising such rights with respect to the shares of Glacier common stock held for other beneficial owners; in such case, however, the written demand should set forth the number of shares of Glacier common stock issued and outstanding immediately prior to the Effective Time as to which appraisal is sought and where no number of shares of Glacier common stock is expressly mentioned the demand will be presumed to cover all shares of Glacier common stock which are held in the name of the record owner. Stockholders who hold their shares of Glacier common stock in brokerage accounts or other nominee forms and who wish to exercise appraisal rights are urged to consult with their brokers to determine the appropriate procedures for the making of a demand for appraisal by such a nominee.

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As required by Section 262, a demand for appraisal must reasonably inform Glacier of the identity of the holder(s) of record (which may be a nominee as described above) and of such holder's intention to seek appraisal of such shares.

**GLACIER STOCKHOLDERS WHO HOLD THEIR SHARES IN BROKERAGE OR BANK ACCOUNTS OR OTHER NOMINEES AND WHO WISH TO EXERCISE APPRAISAL RIGHTS SHOULD CONSIDER CONSULTING WITH THEIR BANK, BROKER OR OTHER NOMINEES, AS APPLICABLE, TO DETERMINE THE APPROPRIATE PROCEDURES FOR THE BANK, BROKER OR OTHER NOMINEE TO MAKE A DEMAND FOR APPRAISAL OF THOSE SHARES. A PERSON HAVING A BENEFICIAL INTEREST IN SHARES HELD OF RECORD IN THE NAME OF ANOTHER PERSON, SUCH AS A BANK, BROKER OR OTHER NOMINEE, MUST ACT PROMPTLY TO CAUSE THE RECORD HOLDER TO FOLLOW PROPERLY AND IN A TIMELY MANNER THE STEPS NECESSARY TO PERFECT APPRAISAL RIGHTS.**

All written demands for appraisal pursuant to Section 262 of the DGCL should be mailed or delivered to Glacier at the following address by December 25, 2016:

Glacier Water Services, Inc.

1385 Park Center Drive

Vista, California 92081

Any holder of shares of Glacier common stock who has not commenced an appraisal proceeding or joined that proceeding as a named party may withdraw his, her or its demand for appraisal and accept the Merger consideration by delivering to Glacier a written withdrawal of the demand for appraisal. However, any such attempt to withdraw the demand made more than 60 days after the effective time of the Merger will require written approval of the surviving corporation. No appraisal proceeding in the Court of Chancery of the State of Delaware will be dismissed without the approval of such court and such approval may be conditioned upon such terms as the court deems just.



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*Notice by the Surviving Corporation*

Within ten days after the effective time of the Merger, the surviving corporation will notify each holder of shares of Glacier common stock who has made a written demand for appraisal pursuant to Section 262 of the DGCL and who has not consented in writing to the Merger the date that the Merger has become effective.

*Filing a Petition for Appraisal*

Within 120 days after the effective time of the Merger, but not thereafter, the surviving corporation or any holder of shares of Glacier common stock who has complied with the required conditions of Section 262 of the DGCL may commence an appraisal proceeding by filing a petition in the Court of Chancery of the State of Delaware, with a copy served on the surviving corporation in the case of a petition filed by a stockholder, demanding a determination of the fair value of the shares held by all dissenting stockholders. A beneficial owner of shares held either in a voting trust or by a nominee on behalf of such person may, in such person's own name file a petition for appraisal. If a petition for appraisal is not timely filed, then the right to an appraisal will cease. The surviving corporation is under no obligation, and has no present intention, to file such a petition, and holders should not assume that the surviving corporation will file a petition. Accordingly, any holders of shares of Glacier common stock who desire to have their shares appraised by the Court of Chancery should assume that they will be responsible for filing a petition for appraisal with the Court of Chancery in the manner prescribed in Section 262 of the DGCL. The failure of a holder of Glacier common stock to file such a petition for appraisal within the period specified in Section 262 of the DGCL will nullify the stockholder's previous written demand for appraisal.

Within 120 days after the effective time of the Merger, any holder of shares of Glacier common stock who has complied with the requirements for the exercise of appraisal rights, or a beneficial owner of shares held either in a voting trust or by a nominee on behalf of such person, will be entitled, upon written request, to receive from the surviving corporation a statement setting forth the aggregate number of shares having not consented to the Merger and with respect to which Glacier received demands for appraisal, and the aggregate number of holders of such shares. The surviving corporation must mail this statement to the requesting stockholder within ten days after receipt of the written request for such a statement or within ten days after the expiration of the period for delivery of demands for appraisal, whichever is later.

If a petition for an appraisal is duly filed by a holder of shares of Glacier common stock and a copy thereof is served upon the surviving corporation, the surviving corporation will then be obligated within twenty days after such service to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached. After notice to the stockholders as required by the court, the Court of Chancery of the State of Delaware is empowered to conduct a hearing on the petition to determine those stockholders who have complied with

Section 262 of the DGCL and who have become entitled to appraisal rights thereunder. The Court of Chancery may require the stockholders who demanded appraisal of their shares, and who hold stock represented by certificates, to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings, and if any stockholder fails to comply with the direction, the Court of Chancery may dismiss the proceedings as to that stockholder.

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*Determination of Fair Value*

After determining the holders of Glacier common stock entitled to appraisal, the Court of Chancery of the State of Delaware will appraise the “fair value” of the shares of common stock, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining fair value, the Court of Chancery will take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Supreme Court of Delaware discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that “proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court” should be considered, and that “[f]air price obviously requires consideration of all relevant factors involving the value of a company.” Section 262 of the DGCL provides that fair value is to be “exclusive of any element of value arising from the accomplishment or expectation of the merger.” In *Cede & Co. v. Technicolor, Inc.*, the Supreme Court of Delaware stated that such exclusion is a “narrow exclusion [that] does not encompass known elements of value,” but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court construed Section 262 of the DGCL to mean that “elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered.”

Glacier stockholders considering seeking appraisal should be aware that the fair value of their shares as so determined by the Court of Chancery of the State of Delaware could be more than, the same as or less than the consideration they would receive pursuant to the Merger if they did not seek appraisal of their shares and that an opinion of an investment banking firm as to the fairness from a financial point of view of the consideration payable in a Merger is not an opinion as to, and does not in any manner address, fair value under Section 262 of the DGCL. Although Glacier believes that the Merger consideration is fair, no representation is made as to the outcome of the appraisal of fair value as determined by the Court of Chancery of the State of Delaware, and stockholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the Merger consideration. Each of Glacier and Primo reserves the right to assert, in any appraisal proceeding, that for purposes of Section 262 of the DGCL, the “fair value” of a share of Glacier common stock is less than the Merger consideration.

Unless the Court of Chancery of the State of Delaware in its discretion determines otherwise for good cause shown, interest from the effective time of the Merger through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective time of the Merger and the date of payment of the judgment. Notwithstanding the foregoing, at any time before the entry of judgment in the proceedings, the surviving corporation may pay to each stockholder entitled to appraisal an amount in cash, in which case interest shall accrue thereafter as provided in the immediately preceding sentence only upon the sum of (1) the difference, if any, between the amount so paid and the fair value of the Glacier common stock as determined by the Court, and (2) interest theretofore accrued, unless paid at that time.

The costs of the appraisal proceedings (which do not include attorneys' fees or the fees and expenses of experts) may be determined by the Court of Chancery of the State of Delaware and taxed upon the parties as the Court of Chancery deems equitable under the circumstances. Upon application of a stockholder, the Court of Chancery may also order that all or a portion of the expenses incurred by a stockholder in connection with an appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts, be charged pro rata against the value of all the shares entitled to be appraised.

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If any Glacier stockholder who demands appraisal of his, her or its shares of Glacier's common stock under Section 262 of the DGCL fails to perfect, or loses or successfully withdraws, such holder's right to appraisal, the stockholder's shares of common stock will be deemed to have been converted at the effective time of the Merger into the right to receive the Merger consideration.

From and after the effective time of the Merger, no Glacier stockholder who has demanded appraisal rights in compliance with Section 262 of the DGCL will be entitled to vote such shares of Glacier common stock for any purpose or to receive payment of dividends or other distributions on the stock, except dividends or other distributions on the holder's shares of Glacier common stock, if any, payable to Glacier stockholders of record at a time prior to the effective time of the Merger.

### **Restrictions on Sales of Shares of Primo Common Stock Received in the Merger**

Except to the extent shares of Primo common stock are held in escrow, as described in the section titled "The Merger Agreement—Escrow" beginning on page 71, or are held by a Principal Stockholder and subject to a lock-up agreement, as described in the section titled "Lock-up Agreements" beginning on page 91, the shares of Primo common stock and warrants to purchase shares of Primo common stock to be issued in connection with the Merger will be freely transferable under the Securities Act, and the rules and regulations promulgated thereunder, and the Exchange Act, except for shares held by any stockholder who may be deemed to be an "affiliate" of Primo for purposes of Rule 144 under the Securities Act. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under the common control with Primo and may include the executive officers, directors and significant stockholders of Primo. This consent solicitation statement/prospectus does not cover resales of Primo common stock received by any person upon completion of the Merger, and no person is authorized to make use of this consent solicitation statement/prospectus in connection with any such resale.

### **Material U.S. Federal Income Tax Consequences of the Merger**

The following is a summary of the material U.S. federal income tax consequences of the Merger to U.S. Holders (as defined below) of Glacier common stock. This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), applicable Treasury Regulations, and related administrative and judicial interpretations, each as in effect as of the date hereof, all of which may change, possibly with retroactive effect. No assurance can be given that future legislation, administrative rulings, or court decisions will not modify the conclusions set forth in this summary. No ruling from the Internal Revenue Service or any similar state or local authority with respect to any of the tax consequences of the Merger will be sought. This summary only addresses U.S. Holders (as defined below) of shares of Glacier common stock that hold their shares as a "capital asset" within the meaning of Section 1221 of the Code. It does not address all of the tax consequences that may be relevant to particular holders in light of their personal circumstances, or to other types of holders, including, without limitation:

banks, insurance companies or other financial institutions;

mutual funds;

broker-dealers;

traders;

U.S. expatriates;

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“controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;

tax-exempt organizations or governmental organizations;

tax-qualified retirement plans;

real estate investment trusts and regulated investment companies;

“S corporations,” partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes or other pass-through entities (and investors therein);

persons who are subject to alternative minimum tax;

persons who hold their shares of common stock as a position in a “straddle” or as part of a “hedging” or “conversion” transaction or other integrated investment;

persons deemed to sell their shares of common stock under the constructive sale provisions of the Code;

persons who perfect appraisal rights;

persons that have a functional currency other than the United States dollar;

persons who acquired their shares of Glacier common stock upon the exercise of stock options or otherwise as compensation; or

persons who are not U.S. Holders (as defined below).

In addition, this discussion does not address U.S. federal estate, gift or other non-income tax, or any state, local or non-U.S. tax consequences of the Merger.

**THIS DISCUSSION IS NOT TAX ADVICE. ALL GLACIER EQUITYHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX**

**CONSEQUENCES OF THE MERGER IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAW OF ANY STATE, LOCAL OR NON-U.S. JURISDICTION OR ANY APPLICABLE INCOME TAX TREATY.**

For purposes of this discussion, a “U.S. Holder” means a beneficial owner of Glacier common stock who is:

an individual who is a citizen or individual resident of the United States;

a corporation or an entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any political subdivision of the United States (including the District of Columbia);

an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust which (a) is subject to the primary supervision of a U.S. court and one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code) are authorized to control all substantial decisions of the trust, or (ii) has a valid election in effect to be treated as a “United States person” for U.S. federal income tax purposes.



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If a partnership or arrangement treated as a partnership for U.S. federal income tax purposes holds shares of Glacier common stock, the U.S. federal income tax consequences of the Merger of a partner in the partnership (or the owner of such entity) will generally depend upon the status of the partner and the activities of the partnership (or entity). If you are a partner of a partnership holding shares of Glacier common stock, you should consult your tax advisor regarding the tax consequences of the Merger.

### *Effect of the Merger*

The receipt of the Merger consideration (which includes any cash received in lieu of fractional shares of Primo common stock) in exchange for shares of Glacier common stock pursuant to the Merger is expected to be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. Holder who receives the Merger consideration in exchange for shares of Glacier common stock pursuant to the Merger will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between (i) the sum of cash received and the fair market value (at the effective time of the Merger) of the shares of Primo common stock (including the Primo common stock held in the Escrow) and the warrants to purchase shares of Primo common stock received and (ii) the holder's adjusted tax basis in the shares of Glacier common stock exchanged for the Merger consideration. A U.S. Holder's adjusted tax basis in the shares of Glacier common stock generally will equal such holder's purchase price for his, her or its shares of Glacier common stock, as adjusted to take into account stock dividends, stock splits, or similar transactions. If a holder acquired different blocks of shares of Glacier common stock at different times and different prices or by inheritance, such holder must determine its adjusted tax basis and holding period separately with respect to each block of shares of Glacier common stock. Each U.S. Holder is urged to consult its own tax advisor as to the determination of the amount realized and its adjusted tax basis in its particular circumstances.

Any gain or loss recognized would be long-term capital gain or loss if the U.S. Holder has held such share for more than one year at the effective time of Merger. Long-term capital gains of certain non-corporate taxpayers generally are taxed at reduced rates under current law, but may be subject to the additional Medicare contribution tax on net investment income. Capital gains of corporate stockholders generally are taxable at the regular tax rates applicable to corporations. The deductibility of capital losses is subject to limitations.

Although distributions from Escrow are to be received after the close of the taxable year in which the Merger occurs, because Glacier common stock is traded on an over-the-counter market, U.S. Holders may not be eligible to report gain realized from the sale of Glacier shares under the installment method. Each U.S. Holder should consult its own tax advisor as to its eligibility to report gain from the sale of its Glacier common stock under the installment method.

The above tax consequences generally will not apply to the cash, Primo common stock and warrants to purchase shares of Primo common stock received upon the cancellation or termination of Glacier stock options. In general, the income recognized pursuant to the cancellation or termination of options in the Merger will be compensation income

taxable at the ordinary income tax rate rather than the capital gain tax rate. Holders of Glacier stock options should consult their own tax advisors as to the tax consequences of the cancellation or termination of options pursuant to the Merger.

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A U.S. Holder's tax basis in Primo common stock and the warrants to purchase shares of Primo common stock received in the Merger will equal the fair market value of such common stock and warrants, respectively, as of the effective time of the Merger. The holding period of the shares of Primo common stock and warrants to purchase shares of Primo common stock received in the Merger will begin on the day after the Merger.

*Information Reporting and Backup Withholding*

Payments made to a U.S. Holder in exchange for shares of Glacier common stock pursuant to the Merger may be subject to information reporting and may be subject to backup withholding. To avoid backup withholding on such payments, U.S. Holders that do not otherwise establish an exemption should complete and return a properly executed IRS Form W-9, certifying that such holder is a U.S. person, the taxpayer identification number provided is correct, and that such holder is not subject to backup withholding. Certain holders (including corporations) are not subject to backup withholding or information reporting rules.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

**It is anticipated that each U.S. Holder will receive an amount of cash that is adequate to pay its U.S. federal income taxes payable by reason of its receipt of the Merger Consideration. Each Glacier stockholder, however, is urged to consult its tax advisors as to the tax consequences resulting from the Merger in its particular circumstances, including the applicability and effect of state, local and other tax laws and the effect of any proposed changes in the tax laws and whether the amount of cash it will receive is adequate to pay its federal, state, local or non-U.S. taxes payable by reason of its receipt of the Merger consideration.**

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**THE MERGER AGREEMENT**

The following section describes the material provisions of the Merger Agreement, which is attached as Appendix A to this consent solicitation statement/prospectus and which is incorporated by reference herein.

The description in this section and elsewhere in this consent solicitation statement/prospectus is qualified in its entirety by reference to the Merger Agreement. This summary does not purport to be complete and may not contain all of the information about the Merger Agreement that is important to you. Primo and Glacier encourage you to carefully read the Merger Agreement in its entirety before making any decisions regarding the Merger. The Merger Agreement and this summary of its terms have been included to provide you with information regarding the terms of the Merger Agreement.

**Explanatory Note Regarding the Merger Agreement**

The Merger Agreement contains representations and warranties made by each party thereto solely for the benefit of the other parties thereto. These representations and warranties are not intended to provide you with factual information about Primo or Glacier. In particular, the assertions embodied in the representations and warranties contained in the Merger Agreement (and summarized below) are qualified by information in disclosure schedules provided by Glacier to Primo and by Primo to Glacier in connection with the signing of the Merger Agreement. These disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the Merger Agreement. Moreover, certain representations and warranties in the Merger Agreement were used for the purpose of allocating risk between the parties rather than establishing matters as facts, and may be subject to a contractual standard of materiality or material adverse effect different from that generally applicable to public disclosures to stockholders. In addition, information concerning the subject matter of the representations and warranties may have changed or may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in public disclosures by Primo or Glacier. Accordingly, you should not rely on the representations and warranties in the Merger Agreement (or the summaries contained herein) as characterizations of the actual state of facts about Primo or Glacier.

In any event, the representations and warranties and other provisions of the Merger Agreement and the description of them in this consent solicitation statement/prospectus should not be read alone, but instead should be read in conjunction with the other information included or incorporated by reference herein. See “Where You Can Find Additional Information” beginning on page 148 of this consent solicitation statement/prospectus.

**The Merger**

The board of directors of each of Primo and Glacier has unanimously approved the Merger Agreement, which provides for the acquisition of Glacier by Primo through the Merger. The Merger Agreement provides that, on the terms and subject to the conditions set forth in the Merger Agreement and in accordance with the DGCL, at the effective time of the Merger, Merger Sub will merge with and into Glacier, with Glacier continuing as the surviving corporation and a wholly-owned subsidiary of Primo.

### **Completion and Effectiveness of the Merger**

The closing of the Merger will occur after all the conditions set forth in the Merger Agreement have been satisfied or waived, which conditions are described below under “The Merger Agreement – Conditions to Completion of the Merger.” The Merger Agreement provides that the Merger will be effective at the time set forth in the certificate of Merger, which will be filed contemporaneously with the closing.

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**Directors and Officers of the Surviving Corporation**

Unless otherwise determined by Primo prior to the effective time of the Merger, the directors of Merger Sub in office immediately prior to effective time of the Merger, will serve as the directors of the surviving corporation from and after the effective time of the Merger in accordance with the bylaws of the surviving corporation, and the officers of Merger Sub in office immediately prior to the effective time of the Merger, shall serve as the officers of the surviving corporation in accordance with the bylaws of the surviving corporation.

**Merger Consideration**

Under the Merger Agreement, Primo will pay an aggregate purchase price equal to:

approximately \$263.0 million, consisting of:

approximately \$86.1 million in closing consideration payable to Glacier equityholders, which is allocated as follows, prior to the adjustments described below:

approximately \$49,932,724 (or 58% of such closing consideration) payable in cash; and

approximately \$36,158,180 (or 42% of such closing consideration) payable in shares of Primo common stock;

in each case, subject to adjustment to the extent Glacier issues additional shares, incurs certain transaction expenses or incurs additional debt in excess of its estimated indebtedness as of the date of the Merger Agreement other than debt under its credit agreement; and

approximately \$177.0 million of net indebtedness and preferred interests being assumed (\$81.0 million) and/or retired (\$96.0 million) by Primo (the "Assumed Debt"),

warrants to purchase 2.0 million shares of Primo common stock at an exercise price equal to \$11.88 per share of Primo common stock.

The exact cash consideration payable to each Glacier equityholder will be calculated by reducing \$49,932,724 by the amounts of the Transaction Expense Exclusion, the Transaction Expenses and any Company Debt (other than Assumed Debt) which, in the aggregate, the parties estimate will equal approximately \$5.6 million. In addition, the exact consideration payable to each Glacier equityholder in shares of Primo common stock will be calculated by adding to \$36,158,180 the Transaction Expense Exclusion, which the parties estimate will equal approximately \$1.65 million, and dividing such resulting amount by \$11.88 and then further dividing the resulting amount by the number of shares of Fully-Diluted Company Stock outstanding immediately prior to the effective time of the Merger. The exact consideration payable to each Glacier equityholder in warrants will be calculated by dividing 2.0 million by the number of Fully-Diluted Company Stock outstanding immediately prior to the effective time of the Merger.

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The warrants have an exercise price equal to \$11.88 per share of Primo common stock. Approximately one-third of the warrants will vest six months following the Closing Date and an additional one-third will vest on each of nine months and one year following the Closing Date. The warrants will be exercisable until the fifth anniversary of the Closing Date.

**Per Share Merger Consideration**

The aggregate Merger consideration will be allocated among the Glacier equityholders.

At the effective time of the Merger, each share of Glacier common stock (other than any dissenting shares or any shares held by Glacier or any of its subsidiaries) issued and outstanding immediately before the effective time of the Merger will be converted into the right to receive the Per Share Cash Amount, the Per Share Stock Amount and the Per Share Warrant Amount. Assuming, among other things that, prior to the Closing of the Merger, Glacier (a) issues approximately 63,000 shares of Glacier common stock to certain Glacier employees in connection with bonus compensation, (b) Glacier incurs approximately \$5.6 million in certain transaction expenses in connection with the Merger and (c) does not incur additional indebtedness after October 9, 2016 other than borrowings under its credit agreement, each share of Glacier common stock would be converted into the right to receive approximately:

\$12.17 in cash;

0.87 of a share of Primo common stock; and

a warrant to purchase 0.54 of a share of Primo common stock.

With respect to the foregoing assumptions, Glacier expects such \$5.6 million of transaction expenses to include: (i) approximately \$2.5 million payable to Glacier's financial advisor, (ii) approximately \$2.3 million payable as cash bonus compensation to certain Glacier employees, including certain executive officers of Glacier as more fully described in "The Merger—Interests of Glacier Directors and Executive Officers in the Merger" beginning on page 58, (iii) approximately \$0.7 million payable to Glacier's legal and accounting advisors, and (iv) up to approximately \$0.1 million payable with respect to other transaction expenses. While the Merger Agreement does not expressly limit the amount of such transaction expenses, Glacier does not expect its actual transaction expenses to vary materially from the foregoing assumptions. In addition, since October 9, 2016, Glacier has not incurred any additional indebtedness other than under its credit agreement, and Glacier does not expect to incur any additional indebtedness prior to the closing of the Merger that would reduce the consideration payable to the Glacier equityholders. The Merger Agreement limits Glacier's ability to incur additional indebtedness other than under its existing credit agreement. The Merger consideration shall be payable upon the surrender of the certificate representing such share of Glacier common



stock or an affidavit with respect thereto. All shares so converted will no longer be outstanding and will automatically be canceled and retired and will cease to exist. In addition, receipt of the shares of Primo common stock in connection with the Merger is subject to the escrow provisions described below in the section titled “The Merger Agreement—Escrow” beginning on page 71 of this consent solicitation statement/prospectus.

### **Treatment of Glacier Stock Options and the Minority LLC Common Units**

At the effective time of the Merger, each outstanding Glacier stock option will be canceled and each holder of Glacier stock options will receive, in exchange for such options, upon receipt by Primo of a duly signed option cancellation agreement and subject to amounts deposited into escrow pursuant to the Merger Agreement and applicable withholding, consideration based on the difference between the value of the Per Share Merger Consideration, excluding the Per Share Warrant Amount, and the per share exercise price of such Glacier stock option, which difference is referred to as the “Option Value.”

The Option Value will be allocated by treating a holder of Glacier stock options as if the holder owns a number of shares of Glacier common stock determined by multiplying (x) the number of shares of Glacier common stock subject to such option by (y) the quotient obtained by dividing such Option Value by the value of the Per Share Merger Consideration, with the number of shares of Glacier common stock resulting from this allocation referred to as “Option Allocated Shares.” Each Option Allocated Share will be converted into the right to receive the Per Share Merger Consideration, as if such Option Allocated Share were a share of Glacier common stock. As of the effective time of the Merger, the Glacier option holders will cease to have any further right or entitlement to acquire any Glacier stock or any shares of capital stock of Primo or the surviving corporation under the cancelled or terminated stock options.

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After the cancellation or termination of the Glacier stock options, the Glacier option holders will, as of the effective time of the Merger, cease to have any further right or entitlement to acquire any Glacier stock or any shares of capital stock of Primo or the surviving corporation under the cancelled or terminated stock options. Primo will direct the exchange agent to withhold from such payments all withholding taxes related to the amount received by such option holders.

At the effective time of the Merger, Primo will deliver to Glacier Water Holdings, LLC, consideration that such entity would be entitled to receive if each minority LLC common unit were instead one share of Glacier common stock, subject to amounts deposited into escrow pursuant to the Merger Agreement, and Glacier will cause Glacier Water Holdings, LLC to assign to Glacier all of its right, title and interest in and to the minority LLC common units and for such units to be cancelled and terminated in accordance with the organizational documents of GW Services, LLC.

**Escrow**

To secure the indemnification obligations of Glacier's equityholders under the Merger Agreement, Primo will withhold from such Glacier equityholders (on a pro rata basis according to their respective interests therein) and deliver to the escrow agent, 71% of the stock consideration payable to each such Glacier equityholder, to be held and distributed by the escrow agent pursuant to the terms of the Merger Agreement and the escrow agreement. Such indemnification obligations are customary and relate to breaches, violations or non-fulfillment of covenants and agreements and breaches of or inaccuracies in representations and warranties in the Merger Agreement.

The indemnification obligations of the Glacier equityholders in favor of Primo, the post-closing surviving corporation and their affiliates with respect to breaches of covenants or agreements and breaches of or inaccuracies in representations or warranties will be satisfied solely by recovery of shares of Primo common stock from the escrow fund. See the section titled "The Merger Agreement—Survival and Indemnification" beginning on page 83 of this consent solicitation statement/prospectus for further information related to such escrow arrangements.

David Shladovsky, as stockholder representative (or his duly appointed successor), will be appointed attorney-in-fact and authorized to act for and on behalf of any or all of the Glacier equityholders with respect to all matters arising in connection with the Merger Agreement and escrow agreement. The appointment as stockholder representative may be changed as provided in the escrow agreement. Each Glacier equityholder receiving Merger consideration acknowledges and agrees that such appointment is irrevocable and coupled with an interest.

Subject to any claims for indemnification, the escrow will be released to the stockholder representative, on behalf of and for distribution to the Glacier equityholders as follows: 25% of the escrow will be released on the date that is 6

months following the Closing Date, an additional 25% of the escrow will be released on the date that is 9 months following of the Closing Date and the remaining 50% of the escrow will be released on the “Final Escrow Release Date”, which means (i) if the Closing Date is on or prior to December 31, 2016, the date that is the first anniversary of the Closing Date or (ii) if the Closing Date is after December 31, 2016, the date that is 30 days following the completion of an independent audit of Primo and its subsidiaries on a consolidated basis following the Merger for the fiscal year ending December 31, 2017.

The stockholder representative will not be liable for any act done or omitted as stockholder representative while acting in good faith and in the exercise of reasonable judgment, and any act done or omitted pursuant to the advice of counsel will be conclusive evidence of such good faith. Each Glacier equityholder will jointly and severally indemnify, defend and hold harmless the stockholder representative, to the fullest extent permitted in law or equity, from and against any and all claims, losses, liabilities, damages, obligations, deficiencies, costs and expenses, including reasonable attorneys’ fees and expenses, and expenses of investigation and defenses, imposed on, sustained, suffered, incurred or paid without gross negligence or bad faith on the part of the stockholder representative and arising out of or in connection with the acceptance or administration of his duties.

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**Certain Other Effects of the Merger**

At the closing, concurrent with the effective time of the Merger, the following additional events will occur:

the LLC common units of GW Services, LLC held by Glacier or any other subsidiaries of Glacier will remain outstanding at and immediately following the effective time of the Merger and without any consideration or other payment to Glacier or any other affiliate of Glacier therefor;

Glacier will cause its subsidiary GW Services, LLC to acquire all outstanding preferred interests of such subsidiary in consideration for the payment of 135% of the principal amount of such preferred interests (not to exceed \$39.2 million) and any accrued but unpaid preferred return on such interests, and Primo will fund the acquisition of these interests;

Glacier will redeem its Series B Junior Subordinated Debentures in an aggregate principal amount of \$12.5 million in accordance with their terms, and Primo will fund such redemption, and if any Series B Junior Subordinated Debentures have been converted prior to the closing into Trust Preferred Securities of Glacier Water Trust I, such Trust Preferred Securities will be repurchased at their principal amounts; and

Primo will, on behalf of GW Services, LLC, pay all amounts required to repay in full the indebtedness of GW Services, LLC under its Amended and Restated Credit Agreement with City National Bank.

**Exchange Procedures for Shares of Glacier Common Stock**

As soon as practicable after the effective time of the Merger, Primo will cause its transfer agent, Wells Fargo Shareowner Services, which will serve as its exchange agent, to distribute to the record holders of shares of Glacier common stock a form of letter of transmittal and instructions, each in substantially the form attached to the Merger Agreement. Upon surrender of a certificate or certificates representing any shares of Glacier common stock held of record by such holder to the exchange agent, together with a properly signed letter of transmittal and such other documents as may reasonably be required by the exchange agent, the exchange agent will deliver to the holder of such certificate or certificates in exchange, subject to the shares of Primo common stock deposited into escrow pursuant to the terms of the Merger Agreement and escrow agreement, (a) one or more shares of Primo common stock (which will be in uncertificated book-entry form unless a physical certificate is requested) such holder has the right to receive (subject to the escrow provisions), (b) a check for the portion of the cash consideration such holder has the right to receive and cash in lieu of any fractional shares of Primo common stock, and (c) warrants to purchase shares of Primo common stock representing the aggregate Per Share Warrant Amount that such holder has the right to receive. No interest will be paid or will accrue on any cash payable to such holder. Primo will be entitled to deduct and withhold from the aggregate Merger consideration otherwise payable to such holder such amounts as it is required to deduct

and withhold with respect to the making required tax payments.

In the event that shares of Glacier common stock have been transferred, and such transfer has not been registered in Glacier's books and records, the aggregate Merger consideration payable with respect to such shares of Glacier common stock will be paid to the holder of such shares of Glacier common stock if the certificate or certificates representing such shares of Glacier common stock is presented to the exchange agent, along with all documents required by the exchange agent (i) to evidence and effect such transfer on Glacier's books and records and (ii) to evidence that any applicable transfer tax payments have been made.

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No fractional shares of Primo common stock will be issued, and such fractional share interests will not entitle the owner thereof to vote or to have any rights of a stockholder of Primo with respect thereto. Each holder who would otherwise have been entitled to receive a fraction of a share of Primo common stock will receive, in lieu thereof, cash (without interest) in an amount equal to the product of (a) such fraction of a share of Primo common stock multiplied by (b) \$11.88. As promptly as practicable after the determination of the amount of cash, if any, to be paid to holders of fractional interests, the exchange agent will so notify Primo, and Primo will deposit such amount with the exchange agent and will cause the exchange agent to forward payments to such holders of fractional interests.

**Lost, Stolen and Destroyed Certificates**

If any certificate or certificates representing any Glacier stock has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate or certificates to be lost, stolen or destroyed and, indemnity against any claim that may be made against it with respect to such certificate or certificates, the exchange agent will deliver in exchange for such lost, stolen or destroyed certificate or certificates representing any such Glacier stock, the applicable Merger consideration with respect to the shares of Glacier stock, formerly represented thereby and any cash in lieu of fractional shares of Primo common stock deliverable in respect thereof, in each case, pursuant to the Merger Agreement.

**Representations and Warranties**

The Merger Agreement contains representations and warranties made by Glacier to Primo and Merger Sub with respect to:

- ownership of Glacier common stock and minority LLC common units;
- organization, good standing, corporate power, authority and qualifications to do business;
- capitalization and capital structure;
- authorization to enter into the Merger Agreement and perform its obligations thereunder;
- its subsidiaries and investments;
- operation of Glacier's business;
- absence of any violation or breach of, conflict with or default under, any organizational documents, applicable laws or certain agreements, in each case, as a result of entering into the Merger Agreement and performing Glacier's

obligations thereunder;

approvals and consents required by Glacier to complete the Merger;

absence of certain litigation and other legal or threatened proceedings;

financial statements and title to assets;

condition and sufficiency of assets;

absence of undisclosed liabilities;

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indebtedness and absence of default;

conduct of Glacier's business since January 3, 2016 and the absence of changes that could reasonably be expected to have a material adverse effect;

ownership of, and leases for, real property;

compliance with applicable laws, including foreign corrupt practices laws, possession of necessary permits and elections under state takeover laws;

certain material contracts and absence of defaults under such contracts;

supplier and customer contracts and relationships;

intellectual property matters;

environmental matters;

absence of certain changes from January 3, 2016;

books and records and Glacier's internal controls over financial reporting;

employee benefits and other employment and labor matters;

insurance;

brokers' fees;

tax matters and tax returns;

data privacy matters;

full disclosure in Glacier's representations and warranties and other statements in the Merger Agreement and its financial statements; and

product warranties.

The Merger Agreement contains representations and warranties made by Primo and Merger Sub to Glacier with respect to:

organization, good standing, corporate power, authority and qualifications to do business;

equity interests of Merger Sub;



the due authorization and valid issuance of the shares of Primo common stock to be issued in connection with the Merger;

authorization to enter into the Merger Agreement and perform their obligations thereunder;

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absence of any violation or breach of, conflict with or default under, any organizational documents, applicable laws or certain agreements, in each case, as a result of entering into the Merger Agreement and performing their obligations thereunder;

approvals and consents required by Primo and Merger Sub to complete the Merger;

Primo's SEC filings since January 1, 2014;

brokers' fees;

absence of certain litigation and other legal or threatened proceedings;

absence of prior activities of Merger Sub;

debt financing matters;

conduct of Primo's business since the date of Primo's most recent report filed with the SEC and the absence of changes that could reasonably be expected to have a material adverse effect;

full disclosure of representations and warranties in the Merger Agreement and statements in Primo's SEC filings since December 31, 2014; and

capitalization and capital structure.

Certain of these representations and warranties are subject to materiality or a "material adverse effect" standard. For purposes of the Merger Agreement, "material adverse effect" means, individually or in the aggregate, any material adverse change, event, circumstance or development with respect to, or material adverse effect on, (a) the business, assets (tangible or intangible), liabilities, capitalization, condition (financial or other), or results of operations of, as the case may be, Primo or Glacier, (b) the ability of, as the case may be, Primo or Glacier to complete any of the transactions contemplated by the Merger Agreement or (c) the ability of Primo to operate the business of, as the case may be, Primo or Glacier immediately after the closing of the Merger.

**Conduct of Business Before Completion of the Merger**

Glacier has agreed, from the date of the Merger Agreement until the effective time of the Merger or, as the case may be, termination of the Merger Agreement in accordance with its terms, subject to certain exceptions and limitations, to:

conduct its business in the usual, regular and ordinary course in substantially the same manner as previously conducted;

use all reasonable efforts consistent with past practice and policies to preserve its present business organization, retain its officers and employees and preserve its relationships with customers, suppliers and others who have business dealings with it, with the goal of preserving unimpaired its goodwill and ongoing business;

promptly notify Primo of any material event or occurrence not in the ordinary course of business or adversely affecting Glacier or its business; and

report periodically to Primo concerning the status of its business, operations and finances.

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In addition, Glacier has agreed, from the date of the Merger Agreement until the effective time of the Merger or, as the case may be, termination of the Merger Agreement in accordance with its terms, that except as expressly required by the Merger Agreement, it will not, without the prior written consent of Primo:

enter into any commitment or transaction not in the ordinary course of business consistent with past practices or, in any event, which exceeds \$25,000, individually, other than contracts entered into in the ordinary course of business with customers providing for services to less than 100 locations and renewals in the ordinary course of business with existing customers on terms no less favorable than the then-existing terms thereof;

enter into or amend any contract pursuant to which any other party is granted marketing, distribution or similar rights of any type or scope with respect to any of Glacier's products, other than in the ordinary course of business consistent with past practice;

amend or otherwise modify in any material respect (or agree to do so), or violate the terms of, certain material contracts;

fail to maintain or preserve Glacier's water vending equipment in the ordinary course of business;

settle or commence any litigation or any dispute resolution process (other than settlements involving solely financial remuneration less than or equal to \$25,000);

declare, set aside or pay any dividends on or make any other distributions (whether in cash, stock or property) in respect of any of its stock, or split, combine or reclassify any of its stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its stock, or repurchase, redeem or otherwise acquire, directly or indirectly, any shares of its stock (or options, warrants or other rights exercisable therefor);

issue, grant, deliver or sell or authorize or propose the issuance, grant, delivery or sale of, or purchase or propose the purchase of, any shares of its stock or securities convertible into, or subscriptions, rights, warrants or options to acquire, or other agreements or commitments of any character obligating it to issue any such shares of its stock or other convertible securities, provided, that Glacier may issue shares of its common stock to Glacier employees in respect to payment of a portion of the transaction bonuses payable to such employees and Glacier has agreed that it will not, without Primo's consent (which will not be unreasonably withheld), issue more than 69,400 shares for such purpose;

cause or permit any amendments to its organizational documents;

acquire or agree to acquire by merging or consolidating with, or by purchasing any assets or equity securities of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, or otherwise acquire or agree to acquire any assets which are material, individually or in the aggregate, to its business;

sell, lease, license, loan or otherwise dispose of any of its properties or assets other than in the ordinary course of business, consistent with past practices, and other than as set forth in the Merger Agreement;

transfer to any person any rights to Glacier's proprietary assets;

incur any (a) liabilities for borrowed money or amounts owed in excess of \$25,000 other than under the Glacier Credit Agreement, (b) guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in its balance sheet (or the notes thereto), or (c) lease payments (or obligations to make lease payments) in excess of \$25,000 under leases required to be capitalized in accordance with GAAP;

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grant any severance or termination fee in excess of \$25,000 to be paid to any director, officer, employee or consultant, except payments made pursuant to standard written agreements outstanding on the date of and disclosed in the Merger Agreement;

except for travel and business expenses incurred in the ordinary course of business in accordance with past practices (provided that such advances do not exceed an aggregate of \$25,000), adopt or amend any employee benefit plan, program, policy or arrangement, enter into any employment contract, extend any employment offer or loan, pay or agree to pay any special bonus or special remuneration to any director, employee or consultant, or increase the salaries or wage rates of any executive employees exceeding five percent (5%) in any given case or any non-executive employee exceeding ten percent (10%) in any given case, as applicable, except for any transaction bonuses;

revalue any of its assets, including without limitation writing down the value of inventory or writing off notes or accounts receivable in excess of \$15,000 in any one case or \$30,000 in the aggregate;

pay, discharge or satisfy, in an amount in excess of \$25,000 in any one case, any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction in the ordinary course of business consistent with past practice or as otherwise consented to in writing by Primo prior to the closing of the Merger;

make or change any material election in respect of taxes, adopt or change any accounting method in respect of taxes, enter into any closing agreement, settle any claim or assessment in respect of taxes, or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of taxes;

enter into any strategic alliance, joint development or joint marketing agreement;

approve any transaction under, or any person becoming an “interested stockholder” under, Section 203 of Delaware General Corporation Law or any similar action or omission under any other applicable takeover statute;

fail to pay or otherwise satisfy its monetary obligations in the ordinary course of business consistent with past practice, except such as are being contested in good faith;

waive or commit to waive any rights with a value in excess of \$25,000, in any one case;

cancel, materially amend or renew any insurance policy;

alter, or enter into any commitment to alter, its interest in any corporation, association, joint venture, partnership or business entity in which it directly or indirectly holds any interest; or

commit to, or agree (in writing or otherwise) to take, any of the actions described above, or any action that would prevent it from performing or cause it not to perform its covenants under the Merger Agreement.

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**Exclusivity**

Glacier has agreed to, and has agreed to cause its subsidiaries and its and their respective officers, directors and representatives to:

as of the execution of the Merger Agreement, immediately cease any discussions or negotiations with any persons with respect to or that could reasonably be expected to lead to an Acquisition Proposal; and

from the execution of the Merger Agreement until the earlier of the effective time of the Merger and the termination of the Merger Agreement in accordance with its terms, not:

initiate, solicit or knowingly encourage any inquiries or the making of any proposal or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal;

engage in or otherwise participate in any discussions or negotiations regarding, or provide any non-public information or data concerning Glacier or its subsidiaries to any person relating to, or that could reasonably be expected to lead to, an Acquisition Proposal;

otherwise knowingly facilitate any effort or attempt to make an Acquisition Proposal; or

resolve to do any of the foregoing.

As used in the Merger Agreement, “Acquisition Proposal” means any proposal or offer (other than any proposal or offer made by Primo) with respect to, or a transaction to effect, a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Glacier or any purchase or sale of 20% or more of the consolidated assets of Glacier, taken as a whole, or any purchase or sale of, or tender or exchange offer for, its voting securities that, if consummated, would result in any person (or the stockholders of such person) beneficially owning securities representing 20% or more of its total voting power (or of the surviving parent entity in such transaction).

At any time following the execution of the Merger Agreement and prior to the time that the requisite Glacier stockholder consent is obtained, subject to certain exceptions, limitations and conditions, if Glacier receives a bona fide written Acquisition Proposal, or an amendment or modification thereto, Glacier and its subsidiaries and their representatives may provide non-public information and data in response to a request and may engage or participate in discussions or negotiations, provided that (a) Glacier’s board of directors (or an authorized committee thereof) determines in good faith (after consultation with its outside legal counsel) that failure to take such action would be inconsistent with the directors’ fiduciary duties under applicable law, and (b) Glacier’s board of directors (or an authorized committee thereof) determines in good faith (after consultation with outside legal counsel and a nationally-recognized financial advisor) that such Acquisition Proposal constitutes a Superior Proposal (as defined in

the Merger Agreement).

Except as expressly permitted in the Merger Agreement, the board of directors of Glacier and each committee thereof has agreed to not:

withhold, withdraw, qualify or modify (or publicly propose to do so), in a manner adverse to Primo, its recommendation with respect to the Merger or approve, endorse or recommend (or resolve or publicly propose to do so), any Acquisition Proposal;

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authorize, cause or permit Glacier or any of its subsidiaries to enter into any term sheet, agreement or other similar document, other than an acceptable confidentiality agreement, relating to or in connection with any Acquisition Proposal;

approve any transaction under, or any person becoming an “interested stockholder” under, Section 203 of the DGCL or any similar action or omission under any other applicable takeover statute; or

grant any waiver, amendment or release under, or take any other action having a similar effect with respect to, any standstill, confidentiality or similar agreement, except to the extent necessary to allow the counterparty thereof to make a private Acquisition Proposal to the board of directors of Glacier in accordance with the Merger Agreement.

At any time before the requisite Glacier stockholder consent is obtained, if Glacier’s board of directors receives a Superior Proposal and determines in good faith, after consultation with its outside counsel, that failure to take action in response to such Superior Proposal would be inconsistent with its fiduciary duties under applicable law, and Glacier has not breached its obligations with respect to soliciting or entertaining alternative Acquisition Proposals, then Glacier may terminate the Merger Agreement provided that immediately prior to or substantially concurrently with such termination of the Merger Agreement, Glacier pays Primo the termination fee discussed in the section entitled “—Termination Fee” and, prior to such termination, the following requirements are met:

Glacier notifies Primo of its intent to terminate in writing at least five business days in advance, including the identity of the party making the Superior Proposal and the material terms of such proposal and, unless previously delivered to Primo, attaching the most current version of such agreement;

after providing such notice and prior to terminating the Merger Agreement with respect to such Superior Proposal, Glacier negotiates in good faith on an exclusive basis with Primo (to the extent that Primo desires to negotiate) during such five business day period to make such revisions to the terms of the Merger Agreement and the documents related to the financing of the transactions contemplated by the Merger Agreement and the retirement or refinancing of certain of Glacier’s debt as would permit Glacier’s board of directors not to terminate the Merger Agreement in response to such Superior Proposal; and

the board of directors has considered in good faith any changes to the Merger Agreement and such financing documents and has determined in good faith that such Superior Proposal would continue to constitute a Superior Proposal that is not subject to due diligence if such changes offered by Primo were given effect.

In the event that the Superior Proposal is thereafter modified by the party making such Superior Proposal, Glacier will provide written notice of such modified Superior Proposal to Primo and will again comply with the three bullets above and provide Primo with an additional notice prior to terminating the Merger Agreement with respect to such Superior Proposal (and shall do so for each subsequent modification).

**Glacier Stockholder Approval**

Adoption and approval of the Merger Agreement and the Merger require the approval of the holders of a majority of the outstanding shares of Glacier common stock.

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Glacier directors Richard Kayne, Brian McInerney and Charles Norris have entered into voting agreements with Primo covering approximately 33.3% of the outstanding shares of Glacier common stock under which they have agreed to sign and return consents with respect to such shares of Glacier common stock adopting and approving the Merger Agreement and the Merger.

As of the Record Date, all directors and executive officers of Glacier as a group owned and were entitled to grant consents with respect to an additional 22.0% of the issued and outstanding shares of Glacier common stock on that date. Glacier currently expects that its directors and executive officers will sign and deliver consents in favor of the adoption and approval of the Merger Agreement and the Merger. If they do so, a total of at least 55.3% of the outstanding shares will have consented to the adoption and approval of the Merger Agreement and the Merger, and both will be approved.

**Efforts to Complete the Merger**

Subject to the terms and conditions of the Merger Agreement, Glacier and Primo have agreed to cooperate with each other and use, and cause their respective subsidiaries to use, their respective reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable to complete and make effective the Merger and the other transactions contemplated by the Merger Agreement as soon as practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as practicable the expiration or termination of any applicable waiting period, and to obtain all necessary actions, non-actions, waivers, consents, registrations, approvals, permits and authorizations that may be required, necessary or advisable from any third party or governmental authority. Neither Primo nor any of its affiliates is obligated to agree to divest assets or businesses or to take or omit to take any action that would reasonably be expected to result in a material and adverse impact on Glacier and its subsidiaries, or on Primo and its subsidiaries.

Furthermore, each of Glacier and Primo has agreed to:

subject to applicable laws, give the right to review in advance and, to the extent practicable, consult with the other on and consider in good faith the view of the other in connection with, all non-confidential information that appears in any filing made with, or written materials submitted to, any third party or governmental authority in connection with the Merger and transactions contemplated by the Merger Agreement;

keep each other apprised of the status of matters relating to the completion of the transactions, including by promptly furnishing the other with copies of certain correspondence; and

not participate in any meeting with any governmental authority in respect of any filings, investigation or other inquiry with respect to the Merger and transactions contemplated by the Merger Agreement unless they consult with the other in advance and, to the extent permitted by the governmental authority, give the other the opportunity to attend and participate.

Glacier and Primo have agreed to use their respective reasonable efforts and take all action to be taken on their respective parts that is reasonably necessary to cause certain other transactions listed in the Merger Agreement to be effected concurrently with the Merger at the effective time.

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In addition, Primo and Glacier have agreed to cooperate in the preparation of this registration statement, including using their respective reasonable efforts to cause it to be declared effective by the SEC as promptly as reasonably practicable after its filing. Following its effectiveness, Glacier has agreed, at its own expense if the Merger does not close, to promptly mail, or cause to be mailed, this consent solicitation statement/prospectus to its stockholders. Primo has agreed to use its reasonable efforts to file with the Nasdaq Stock Market LLC, promptly following the date of the Merger Agreement and to the extent needed, any notification forms required with respect to its common stock issuable in connection with the Merger or the transactions contemplated by the Merger Agreement and upon exercise of the warrants.

**Other Covenants and Agreements**

The Merger Agreement contains certain other covenants and agreements, including, among others, those relating to:

confidentiality and restrictions on making public announcements regarding the Merger;

access by Primo and its representatives to certain information about Glacier during the period prior to the effective time of the Merger;

termination of Glacier's 401(k) plan;

obligations with respect to certain tax matters;

obligations regarding the Primo board of directors; and

obligations regarding additional financial statements.

**Conditions to Completion of the Merger**

The obligations of each party to effect the Merger are conditioned upon satisfaction or waiver, on or prior to the Closing Date, of each of the following conditions:

the other party will have performed, in all material respects, all agreements to be performed on or before the Closing Date;

no action or proceeding will have been instituted or threatened before a court or other government body or by any public authority, and no claim will have been asserted or threatened to be asserted, to restrain or prohibit any of the

transactions contemplated by the Merger Agreement;

since the date of the Merger Agreement, no event, fact, change, condition, circumstance or other development will have occurred that has had, or could reasonably be expected to have, individually or in the aggregate, a material adverse effect on the other party or its subsidiaries;

the escrow agreement will have been signed and delivered to the other party and, in the case of Primo, Wilmington Trust, N.A. will have been appointed and agreed to serve as the escrow agent;

the Certificate of Merger will have been signed and delivered; and

this registration statement will have become and been declared effective and no stop order suspending the effectiveness of the registration statement will have been issued and no proceedings for that purpose will have been initiated or threatened by the SEC or any other governmental authority.

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In addition, the obligations of Primo and Merger Sub to effect the Merger are conditioned upon the satisfaction or waiver, on or prior to the Closing Date, of each of the following conditions:

the representations and warranties of Glacier will be true and correct in all material respects when made and on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date, provided that (a) if the conditions to Primo's and Merger Sub's obligations to close are satisfied or waived, or upon an immediate closing would be satisfied as of such closing, and (b) any fact or circumstance has occurred after the date of the Merger Agreement such that the representations and warranties of Glacier will not be true and correct in all material respects, then Glacier will give Primo notice and, for a period of five business days thereafter, Glacier and Primo will negotiate in good faith to determine whether or not Glacier and Primo are able to mutually agree to an appropriate adjustment to the terms of the Merger Agreement, including a reduction in the Merger consideration, and provided further that if at the end of such five business day period, Glacier and Primo are unable to agree to an appropriate adjustment, then this condition will be treated as unsatisfied and Primo will be entitled to terminate the Merger Agreement pursuant to its terms;

Glacier will have delivered to Primo (a) a certified copy of Glacier's certificate of incorporation, including all amendments thereto, (b) a certificate of good standing, (c) a certified copy of the bylaws of Glacier, and (d) a certified copy of the resolutions adopted by the board of directors of Glacier authorizing the execution and delivery by Glacier of the Merger Agreement and the other transaction documents and Glacier's performance of its obligations thereunder;

all governmental authority consents and approvals, if any, necessary to permit the consummation of the transactions contemplated by the Merger Agreement will have been received;

all third party (other than any governmental authorities) consents and approvals, if any, necessary to permit the consummation of the transactions contemplated by the Merger Agreement will have been received, if the failure to obtain the same could reasonably be expected to have a material adverse effect on Glacier;

the Merger, the Merger Agreement and the certificate of Merger will have been approved and adopted by holders of a least a majority of the outstanding shares of Glacier's common stock, and Glacier will have delivered to Primo the stockholder consents to such effect;

at the effective time of the Merger, the holders of not more than 5% of Glacier's stock will have demanded or otherwise purported to exercise their respective dissenters' rights, if any, pursuant to the DGCL with respect to any shares of Glacier stock;

Primo will have received a written resignation, satisfactory in form and substance to Primo, from each officer and director of Glacier requested by Primo to resign on or prior to the Closing Date;

all indebtedness, if any, other than travel and similar advances outstanding in the ordinary course of business, of Glacier employees to Glacier will have been repaid in full;

Glacier will have delivered to Primo at least three business days prior, payoff letters, in form and substance satisfactory to Primo, with respect to indebtedness and other obligations described in the Merger Agreement;





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Glacier will have delivered to Primo a certificate issued in accordance with Treasury Regulation Section 1.1445-2(c) and in a form and substance satisfactory to Primo; and

the Principal Stockholders will have signed and delivered to Primo a lock-up agreement and each such agreement will be in full force and effect.

In addition, the obligations of Glacier to effect the Merger are conditioned upon the satisfaction or waiver, on or prior to the Closing Date, of each of the following conditions:

the representations and warranties of Primo and Merger Sub will be true and correct in all material respects when made and on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date;

Primo will have delivered to Glacier (a) a certified copy of Primo's certificate of incorporation, including all amendments thereto, (b) a certificate of good standing, (c) a certified copy of the bylaws of Primo, and (d) a certified copy of the resolutions adopted by the board of directors of Primo authorizing the execution and delivery by Primo of the Merger Agreement and the other transaction documents and Primo's performance of its obligations thereunder;

Merger Sub will have delivered to Glacier (a) a certified copy of Merger Sub's certificate of incorporation, including all amendments thereto, (b) a certificate of good standing, (c) a certified copy of the bylaws of Merger Sub, and (d) a certified copy of the resolutions adopted by the board of directors of Merger Sub authorizing the execution and delivery by Merger Sub of the Merger Agreement and the other transaction documents and Merger Sub's performance of its obligations thereunder; and

all governmental authority consents and approvals, if any, necessary to permit the consummation of the transactions contemplated by the Merger Agreement will have been received.

**Survival and Indemnification**

The representations, warranties and covenants of the parties contained in the Merger Agreement shall survive the completion of the Merger and shall continue in full force and effect until the entirety of the escrow fund is required to have been distributed (provided that certain representations and the covenants contained in the Merger Agreement will survive for their applicable statute of limitations plus a period of 90 days thereafter). Nothing in the Merger Agreement will limit any indemnification claims for fraud, intentional misrepresentation or willful misconduct.

The Merger Agreement contains customary indemnification obligations by the Glacier equityholders in favor of Primo, the post-closing surviving corporation and their affiliates with respect to breaches, violations or non-fulfillments of covenants or agreements and breaches of or inaccuracies in representations or warranties. The parties will not be subject to any indemnification obligation unless and until, and only to the extent, that the aggregate

of all losses subject to their indemnification exceeds \$500,000 in the aggregate, provided that nothing in the Merger Agreement will limit any remedy for (a) the breach of any covenant or agreement in the Merger Agreement or (b) fraud, intentional misrepresentation or willful misconduct.

The escrow fund will be the sole and exclusive source of satisfaction of any claim made by Primo, the post-closing surviving corporation and their respective affiliates. Nothing prohibits Primo from seeking and obtaining recourse against the Glacier equityholders, or any of them, in the event and to the extent that there is a misallocation in the distribution of the Merger consideration among the Glacier equityholders.

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The aggregate amount to be paid by Primo to the Glacier equityholders will not exceed an amount equivalent to the product of (a) the number of shares of Primo common stock then in the escrow fund and (b) \$11.88.

**Termination of the Merger Agreement**

The Merger Agreement may be terminated prior to the closing of the Merger only as follows:

by mutual written consent;

by either Primo or Glacier upon written notice to the other party if:

the completion of the Merger will not have occurred by June 30, 2017, provided that no party whose action or failure to act, or whose affiliate's action or failure to act, will have been a principal cause of or resulted in the failure of the Merger to occur on or before such date may terminate the agreement in such manner;

the other party will have breached in any material respect any representation, warranty, covenant or agreement contained in the Merger Agreement and, if curable, failed to cure the same within ten days after written notice; or

any court or other governmental instrumentality of competent jurisdiction will have issued an order or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by the Merger Agreement;

by Primo:

by written notice to Glacier if the requisite Glacier stockholder consent is not delivered promptly when due in accordance with the Merger Agreement; or

by written notice to Glacier if:

the board of directors of Glacier fails to make the Company Recommendation or makes a Change of Recommendation, or approves, recommends or endorses an Acquisition Proposal (or in the case of a tender or exchange offer, fails to recommend rejection within ten business days) or resolves or publicly proposes to do the foregoing;

Glacier fails to publicly reaffirm the Company Recommendation upon written request of Primo within ten business days of such request;

prior to the time the requisite Glacier stockholder approval is obtained, Glacier provides Primo with notice of intent to terminate the Merger Agreement or effect a Change of Recommendation; or

Glacier fails or is deemed to have failed to comply with its non-solicitation and certain other obligations under the Merger Agreement; and

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by Glacier:

by written notice to Primo if at any time prior to obtaining the requisite stockholder consent:

the board of directors of Glacier authorizes Glacier, subject to compliance with the terms of the Merger Agreement, to enter into definitive transaction documentation providing for a Superior Proposal;

substantially concurrently with the termination of the Merger Agreement, Glacier enters into an alternative acquisition agreement with respect to such Superior Proposal;

immediately prior to or substantially concurrently with, and as a condition to, such termination, Glacier pays to Primo any fees required pursuant to the Merger Agreement (including the termination fee described in the section titled "Termination Fees"); and

Glacier has not breached, and is not deemed to have breached, its non-solicitation and certain other obligations under the Merger Agreement; or

if the conditions to closing are satisfied or waived (or, (a) upon an immediate closing, would be satisfied as of such closing or (b) for any other closing, would be satisfied had Primo not willfully failed to cause such conditions to be met in order to avoid the payment of the termination fee (described below)), and Primo has not, within five business days after the date on which all such conditions will have been satisfied or waived, have deposited or caused to be deposited with the exchange agent at or prior to the closing the Merger consideration in accordance with the terms of the Merger Agreement (provided that if such failure to deposit the Merger consideration is caused by or otherwise related to Primo's failure to receive the proceeds of the financing, then Glacier may terminate the Merger Agreement in such manner only if Primo has not obtained alternative financing within 90 days after the date on which all such conditions have been satisfied or waived).

**Effect of Termination**

If the Merger Agreement is terminated as described in the section titled "Termination of the Merger Agreement" above, the Merger Agreement will become void and of no effect, except that:

no such termination will relieve a party of any liability to pay the termination fee (described in the section titled "Termination Fee");

no such termination will relieve a party of liability for any willful breach of the Merger Agreement prior to termination; and

the indemnification and reimbursement provisions in the Merger Agreement and the confidentiality agreement will survive termination.

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**Termination Fees**

Glacier will be obligated to pay Primo a termination fee of \$7.5 million in the event that the Merger Agreement is terminated:

by Primo because (i) of Glacier's willful breach in any material respect of any representation, warranty, covenant or agreement contained in the Merger Agreement and, if curable, Glacier fails to cure the same after 10 days written notice; (ii) any person has made a bona fide Acquisition Proposal prior to such termination; and (iii) within 12 months after such termination, Glacier enters into an agreement with respect to any Acquisition Proposal or completed any Acquisition Proposal, provided that for purposes of the foregoing, references to "20%" in the definition of Acquisition Proposal shall be deemed to be references to "50%";

by Primo because the requisite Glacier stockholder consent is not delivered when due;

by Glacier because prior to the time the requisite Glacier stockholder consent is obtained Glacier enters into an Alternative Acquisition Agreement with respect to a Superior Proposal; or

by Primo because Glacier takes certain actions with respect to a Company Recommendation or a Change of Recommendation or fails to comply with its non-solicitation and certain other obligations under the Merger Agreement.

Primo will be obligated to pay Glacier a termination fee of \$7.5 million in the event that Glacier terminates the Merger Agreement because the conditions to its completion of the Merger have been satisfied or waived and Primo has not, within five business days after all such conditions will have been satisfied or waived, deposited with the exchange agent at or prior to the closing the Merger consideration (provided that if such failure is caused by or otherwise related to Primo's failure to receive the proceeds of the financing, then Glacier may terminate the Merger Agreement only if Primo has not obtained alternative financing within 90 days after the date on which all such conditions have been satisfied or waived).

In addition, in the event of termination of the Merger Agreement in certain instances, Primo or its designee shall be entitled to the amount of all out-of-pocket expenses, including all reasonable fees and expenses of financing sources, counsel, accountants, investment bankers, experts and consultants to a party hereto and its affiliates, actually incurred by Primo or any of its affiliates or any other party on their behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of the Merger Agreement to the extent not previously paid.

**Miscellaneous**

*Specific Performance*

The parties are entitled to seek an injunction, specific performance and other equitable relief to prevent breaches of the Merger Agreement and to enforce specifically the terms and provisions thereof, in addition to any other remedy to which they are entitled at law or in equity. Each of the parties has agreed that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that (a) the other party has an adequate remedy at law or (b) an award of specific performance is not an appropriate remedy for any reason at law or equity. Any party seeking an injunction or injunctions to prevent breaches of the Merger Agreement and to enforce specifically the terms and provisions of the agreement will not be required to provide any bond or other security in connection with any such order or injunction.



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*Amendment; Extension and Waiver*

The Merger Agreement may not be changed, and any of the terms, covenants, representations, warranties and conditions cannot be waived, except pursuant to an instrument in writing signed by Primo and Glacier or, in the case of a waiver, by the party waiving compliance.

*Governing Law*

The Merger Agreement is governed by the laws of the State of Delaware, without regard to the choice of law principles thereof. Each of the parties has irrevocably submitted to the non-exclusive jurisdiction of Court of Chancery of the State of Delaware, or to the extent such Court does not have subject matter jurisdiction, the Superior Court of the State of Delaware, in any action, suit or proceeding with respect to the Merger Agreement, except for any action or proceeding brought against any financing sources relating to or arising out of the transactions contemplated by the Merger Agreement or the financing for the Merger, which will be subject to the exclusive jurisdiction of the Supreme Court of the State of New York, County of New York, or, if under applicable law exclusive jurisdiction is vested in the Federal courts, the United States District Court for the Southern District of New York (and appellate courts thereof).

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**THE WARRANT AGREEMENT**

The following section describes the material provisions of the warrant agreement, a copy of which is attached to this consent solicitation statement/prospectus as Appendix B and is filed as Exhibit 4.1 to the registration statement of which this consent solicitation statement/prospectus forms a part, and is incorporated herein by reference, and the warrants to purchase shares of Primo common stock that will be issued as part of the Merger consideration to Glacier equityholders in connection with the closing of the Merger (see “The Merger Agreement—Effect of the Merger; Merger Consideration”).

The description in this section and elsewhere in this consent solicitation statement/prospectus is qualified in its entirety by reference to the warrant agreement. This summary does not purport to be complete and may not contain all of the information about the warrant agreement that is important to you. Primo and Glacier encourage you to carefully read the warrant agreement in its entirety before making any decisions regarding the Merger. The warrant agreement and this summary of its terms have been included to provide you with information regarding the terms of the warrant agreement and the issuance of the warrants thereunder.

The warrant agreement will be entered into at or prior to the effective time of the Merger. The warrant agreement will govern the terms of the warrants to purchase 2.0 million shares of Primo common stock exercisable at a price of \$11.88 per share of Primo common stock that are to be issued in the Merger. The warrant agreement provides that the warrants will be exercisable by the applicable holder at any time from time to time until 5:00 p.m., Eastern Standard Time, on the five year anniversary of the date of the warrant agreement. The warrants will become exercisable as follows: (a) on the date that is 180 days following the date of the warrant agreement, up to 33% of the warrants may be exercised; (b) on the date that is 270 days following the date of the warrant agreement, up to an additional 33% of the warrants may be exercised; and (iii) on the date that is 365 days following the date of the warrant agreement, up to an additional 34% of the warrants may be exercised, such that, on the date that is 365 days following the date of the warrant agreement, 100% of the warrants may be exercised. Payment of the exercise price for warrant shares purchased may be made, at the option of the applicable holder, either (a) certified check payable to the warrant agent or (b) by delivering a written direction to the warrant agent that such holder desires to exercise the warrants pursuant to by a “cashless exercise,” in which case the holder will receive a number of warrant shares that is equal to the aggregate number of warrant shares for which the warrants are being exercised less the number of warrant shares that have an aggregate market price on the trading day on which such warrants are exercised that is equal to the aggregate exercise price for such warrant shares.

Primo has agreed that it has reserved, and will at all times through the warrants’ expiration date reserve, a sufficient number of authorized but unissued shares of Primo’s common stock, solely for the purpose of the issuance of warrant shares in accordance with the terms of the warrant agreement. In addition, Primo has agreed to register or cause to be registered any and all warrant shares and all the warrants under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, and to maintain such registration. The exercise price for the warrants is subject to adjustment in the event that Primo (a) declares and pays a dividend or makes a distribution on its common

stock in shares of common stock, (b) subdivides or reclassifies the outstanding shares of its common stock into a greater number of shares, or (c) combines or reclassifies the outstanding shares of its common stock into a smaller number of shares. In such circumstances, the exercise number at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted by multiplying the exercise number effective immediately prior to such event by a fraction (a) the numerator of which shall be the total number of outstanding shares of common stock immediately after such event and (b) the denominator of which shall be the total number of outstanding shares of common stock immediately prior to such event. In such event, the exercise price per share of Primo common stock in effect immediately prior to the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted by multiplying such exercise price by a fraction (i) the numerator of which shall be the exercise number immediately prior to such adjustment and (ii) the denominator of which shall be the new exercise number determined pursuant to the immediately preceding sentence.

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The warrant agreement appoints Wells Fargo Bank, N.A. as warrant agent to act as agent for Primo with respect to the warrants and in accordance with the provisions of the warrant agreement. The warrant agent will act solely as agent, and its duties shall be determined solely by the provisions of the warrant agreement. The warrant agent will not be liable for anything that it may do or refrain from doing in connection with the warrant agreement, except for its own willful misconduct or gross negligence.

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**THE VOTING AGREEMENTS**

The following section describes the material provisions of the voting agreements, each of which is attached as Appendix C to this consent solicitation statement/prospectus and each of which is incorporated by reference herein.

The description in this section and elsewhere in this consent solicitation statement/prospectus is qualified in its entirety by reference to the voting agreements. This summary does not purport to be complete and may not contain all of the information about the voting agreements that is important to you. Primo and Glacier encourage you to carefully read the voting agreements in their entirety before making any decisions regarding the Merger. The voting agreements and this summary of their terms have been included to provide you with information regarding the terms of the voting agreements.

Concurrently with the execution of the Merger Agreement, Primo entered into voting agreements with each of Richard Kayne, Brian McInerney and Charles Norris, who currently serve as directors of Glacier, with respect to a portion of the outstanding shares of Glacier common stock held by them totaling approximately 33.3% of all currently outstanding shares of Glacier common stock. Pursuant to the terms of the voting agreements, each of Mr. Kayne, Mr. McInerney and Mr. Norris agreed, among other things, to deliver consents with respect to the shares covered by the voting agreements in favor of adoption and approval of the Merger Agreement and the Merger, and against any Acquisition Proposal or other action that could prevent, delay, impair, discourage, adversely affect or inhibit the timely consummation of the Merger.

During the term of the voting agreements, Mr. Kayne, Mr. McInerney and Mr. Norris are prohibited from transferring the shares that are subject to the voting agreements. The voting agreements automatically terminate on the earliest of: (a) the effective time of the Merger; (b) the valid termination of the Merger Agreement in accordance with its terms, other than in the circumstances set forth in clause (c) below; (c) six months following the valid termination of the Merger Agreement in accordance with its terms in circumstances in which a termination fee is payable by Glacier; and (d) any amendment by the parties to the Merger Agreement that reduces the amount of consideration payable by Primo, without the prior written consent of Mr. Kayne, Mr. McInerney and Mr. Norris.

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**LOCK-UP AGREEMENTS**

The following section describes the material provisions of the lock-up agreements to be entered into at the closing of the Merger with each Principal Stockholder, the form of which is attached as Appendix E to this consent solicitation statement/prospectus and which is incorporated by reference herein.

The description in this section and elsewhere in this consent solicitation statement/prospectus is qualified in its entirety by reference to the form of the lock-up agreement. This summary does not purport to be complete and may not contain all of the information about the lock-up agreements that is important to you. Primo and Glacier encourage you to carefully read the form of the lock-up agreement in its entirety before making any decisions regarding the Merger. The form of lock-up agreement and this summary of its terms have been included to provide you with information regarding the terms of the lock-up agreements.

The lock-up agreements provide that Principal Stockholders receiving shares of Primo common stock pursuant to the Merger Agreement shall not transfer, or permit or otherwise cause the transfer of, any portion of the shares, or publicly announce any intention to do so during the period beginning on the Closing Date and ending on the earlier of the date that (a) is 365 days following the Closing Date and (b) Primo consummates a liquidation, merger, stock exchange or other similar transaction that results in all of the holders of Primo common stock having the right to exchange their shares for cash, securities or other property. Notwithstanding the foregoing, (x) on the date that is 180 days following the date of the lock-up agreement, the stockholder may transfer up to one-third (1/3) of the shares subject to the lock-up agreement and (y) on the date that is 270 days following the date of the lock-up agreement, the stockholder may transfer an additional one-third (1/3) of the shares subject to the lock-up agreement, but only to the extent such shares are not held in escrow pursuant to the escrow agreement.

A transfer under the lock-up agreement includes (a) any direct or indirect offer, sale, lease, assignment, encumbrance, pledge, hypothecation, disposition or other transfer (by operation of law or otherwise), either voluntary or involuntary, or entry into any contract, option or other arrangement or understanding with respect to any offer, sale, lease, assignment, encumbrance, pledge, hypothecation, disposition or other transfer (by operation of law or otherwise), of the shares subject thereto or any interest in any such shares, in whole or in part, or (b) in respect of the shares subject thereto or any interest in any such shares, to enter into any swap or any other agreement, transaction or series of transactions that hedges or transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of such shares or interest in such shares, whether any such swap, agreement, transaction or series of transactions is to be settled by delivery of securities, in cash or otherwise. The stockholders may, however, transfer the shares subject thereto, or any portion thereof, as follows:

to the officers or directors of Primo or family members of any of Primo's officers or directors, or any affiliate of the stockholder;

by gift or other transfer to a member of the stockholder's immediate family (if applicable) or to a trust, corporation, partnership or limited liability company established for estate planning purposes, the beneficiaries, stockholders, partners or members of which are members of the stockholder's immediate family or a charitable organization;

by virtue of laws of descent and distribution upon the death of the stockholder;

pursuant to a qualified domestic relations order; and

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to Primo (or its designee) if and to the extent required by the escrow agreement;

provided that, in each case, the permitted transferee(s) shall sign and deliver to Primo no less than one business day prior to such transfer an agreement in writing to become bound by the transfer restrictions and forfeiture provisions contained in the lock-up agreement.



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**DESCRIPTION OF THE DEBT FINANCING**

The following section describes the material provisions of the debt financing that Primo proposes to obtain in connection with the Merger pursuant to that certain commitment letter between Primo and Goldman Sachs Bank USA (“Goldman”) entered into on October 11, 2016. The loan documents evidencing the debt financing provided by the Commitment Letter are contemplated to be entered into prior to the closing of the Merger.

This summary of the proposed debt financing does not purport to be complete and may not contain all of the information about the Commitment Letter and proposed debt financing. This summary has been included to provide you with information regarding the terms of the Commitment Letter and the proposed debt financing contemplated by the Commitment Letter.

Pursuant to the Commitment Letter, Goldman committed to lend Primo up to \$186.0 million in senior secured term loans and to provide a \$10.0 million senior secured revolving credit facility (the “Commitment Letter”). Primo plans to use the proceeds of the term loans to:

pay the cash portion of the Merger consideration;

repay the outstanding principal amount and accrued interest under Glacier’s credit agreement dated as of October 23, 2012, as amended, between GW Services, LLC, a California limited liability company and Glacier subsidiary, and City National Bank, as administrative agent and as the Required Lender (as defined thereunder);

pay for GW Services, LLC to acquire all of its outstanding preferred interests and pay the outstanding preferred return on such preferred interests as provided under their terms;

pay for Glacier to redeem its Series B Junior Subordinated Debentures in an aggregate principal amount of up to \$12.5 million plus accrued interest, in accordance with their terms; and

pay transaction-related fees and expenses.

Primo may, should it elect to do so, apply a portion of the term loans and other available cash to refinance outstanding principal and accrued interest under Primo’s existing Note Purchase Agreement, dated as of June 20, 2014, as amended, with Prudential Insurance Company of America and PICA Hartford Life Insurance Comfort Trust.

Primo plans to use the proceeds of the revolving credit facility for ongoing working capital and general corporate purposes. Goldman’s obligations to fund their commitments under the Commitment Letter are subject to the following

conditions:

the absence of a material adverse change on the condition, business, performance, operations or property of Primo or Glacier;

the accuracy and completeness of representations made by Primo to Goldman Sachs, and Primo's compliance with the terms of the Commitment Letter;

the completion of the Merger in accordance with the terms and conditions of the Merger Agreement;

the satisfactory negotiation, signing and delivery of appropriate loan documents related to the credit facilities described in the Commitment Letter; and

the satisfaction of customary conditions contained in the Commitment Letter and loan documents.

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Primo also granted Goldman Sachs certain exclusivity rights with respect to the financing of the Merger and agreed to terms providing for the potential syndication of the credit facilities. Primo also agreed to reimburse Goldman Sachs for certain reasonable out-of-pocket fees and expenses incurred by Goldman Sachs in connection with the financing. The Commitment Letter terminates at the earliest of (i) the closing of the credit facilities subject to the Commitment Letter (ii) Goldman Sachs' election to terminate upon a material breach by Primo under the Commitment Letter and (iii) December 15, 2016. Primo is under no obligation to borrow under the Commitment Letter nor is any planned financing a condition to the consummation of the Merger, but if Primo does not borrow the term loans at such time as all other closing conditions for the Merger are met, and fails to obtain alternative financing within ninety days after that date, then Glacier will have the right to terminate the Merger Agreement and to obtain a \$7.5 million termination fee from Primo. See "The Merger Agreement—Termination of the Merger Agreement" beginning on page 84 of this consent solicitation statement/prospectus and "The Merger Agreement—Termination Fees" beginning on page 86 of this consent solicitation statement/prospectus for further detail.

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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**

The preliminary unaudited pro forma condensed combined financial information is derived from the historical financial statements of Primo and Glacier. Primo has a December 31 fiscal year end and Glacier's year ends on the Sunday closest to December 31. The unaudited pro forma condensed combined balance sheet as of September 30, 2016 is presented as if the acquisition and the estimated borrowings used to finance the acquisition occurred on September 30, 2016. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2015 and the nine months ended September 30, 2016 is presented as if the acquisition and the related borrowings used to finance the acquisition occurred on January 1, 2015.

The assumptions and estimates underlying the unaudited adjustments to the pro forma condensed combined financial information are described in the accompanying notes, which should be read together with the pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is based on and should be read in conjunction with the following:

separate historical financial statements of Primo as of and for the nine months ended September 30, 2016 and the related notes included in Primo's Quarterly Report on Form 10-Q for the nine-month period ended September 30, 2016 incorporated by reference herein;

separate historical financial statements of Primo as of and for the year ended December 31, 2015 and the related notes included in Primo's Annual Report on Form 10-K for the year ended December 31, 2015 incorporated by reference herein;

separate historical financial statements of Glacier as of and for the nine months ended October 2, 2016 and the related notes included in this consent solicitation statement/prospectus; and

separate historical financial statements of Glacier as of and for the fiscal year ended January 3, 2016 and the related notes included in this consent solicitation statement/prospectus.

The unaudited pro forma condensed combined financial information has been presented for informational purposes only. The pro forma information is not necessarily indicative of what the Combined Company's financial position or results of operations actually would have been had the Merger been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial

position or operating results of the Combined Company. Transactions between Primo and Glacier during the periods presented in the unaudited pro forma condensed combined financial statements are not significant.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting under existing U.S. generally accepted accounting principles (“GAAP”). Primo has been treated as the acquirer in the Merger for accounting purposes. Under this method, consideration to be given by Primo to complete the Merger with Glacier will be allocated to the assets acquired and liabilities assumed based on their fair value. To complete the acquisition method of accounting, certain procedures, such as valuations, appraisals, and discussions and input from Glacier management, have to be performed to obtain the necessary information to recognize the acquired assets and liabilities at fair value.

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At this point in time, Primo has estimated the fair value of the acquired assets and liabilities using the financial information of Glacier included in this consent solicitation statement/prospectus, Primo's informed insights into the industries in which Glacier competes, and limited due diligence discussions with Glacier's management. Therefore, Primo has not obtained sufficient information for definitive measurement. Accordingly, the pro forma reclassifications and adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information. Differences between these preliminary estimates and the final acquisition accounting will occur and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the Combined Company's future results of operations and financial position.

Table Of Contents**Unaudited Pro Forma Condensed Combined Balance Sheet**

As of September 30, 2016

(in thousands)

	Historical	Historical		Pro
	Primo	Glacier	Pro Forma	Forma
	Water	Water	Adjustments	Adjusted
	Corporation	Services		Balance
				Sheet
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,302	\$5,843	(1,705 ) a	\$6,440
Accounts receivable, net	15,828	4,315	–	20,143
Inventories	8,352	5,161	–	13,513
Prepaid expenses and other current assets	803	1,795	–	2,598
Total current assets	27,285	17,114	(1,705 )	42,694
Bottles, net	3,973	–	–	3,973
Property and equipment, net	34,432	61,501	61,575 b	157,508
Goodwill	–	18,747	62,025 c	80,772
Intangible assets, net	7,587	3,310	74,781 d	85,678
Investment in Glacier Water Trust I Common Securities	–	2,629	58 e	2,687
Investment in Glacier Water Trust I Preferred Securities	–	3,648	80 e	3,728
Deferred financing costs, net	–	3,567	(3,567 ) f	–
Other assets	490	722	–	1,212
Total assets	\$ 73,767	\$ 111,238	\$ 193,247	\$ 378,252
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities:				
Accounts payable	\$ 13,709	\$4,844	–	\$ 18,553
Accrued commissions	–	5,861	–	5,861
Accrued expenses and other current liabilities	4,449	4,640	–	9,089
Current portion of long-term debt and capital leases	4,271	–	–	4,271
Total current liabilities	22,429	15,345	–	37,774
Long-term debt and capital leases, net of current portion and debt issuance costs	16,024	–	152,728 g	168,752
Junior subordinated debentures	–	87,629	1,928 h	89,557
Line of credit	–	51,000	(51,000 ) f	–
Series B Junior subordinated debentures	–	10,740	(10,740 ) f	–

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Contingent consideration liability	–	2,097	–	2,097
Deferred tax liability	–	1,063	–	1,063
Long-term portion of deferred rent	–	57	–	57
Liabilities of disposal group, net of current portion, and other long-term liabilities	2,502	–	–	2,502
Total liabilities	40,955	167,931	92,916	301,802
Total stockholders' equity	32,812	(56,693 )	100,331	i 76,450
Total liabilities and stockholders' equity	\$ 73,767	\$ 111,238	\$ 193,247	\$ 378,252

See accompanying notes to unaudited pro forma condensed combined financial information.



Table Of Contents**Unaudited Pro Forma Condensed Combined Statement of Operations****For the Nine Months Ended September 30, 2016****(in thousands, except per share data)**

	<b>Historical Nine months ended September 30, 2016</b>	<b>Historical Nine months ended October 2, 2016</b>	<b>Presentation Reclassification (1)</b>	<b>Pro Forma Adjustments (2)</b>	<b>Pro Forma Adjusted</b>
	<b>Primo Water Corporation</b>	<b>Glacier Water Services</b>			
Net sales	\$ 102,185	\$ 105,956		\$ -	\$ 208,141
Operating costs and expenses:					
Cost of sales	71,351	85,596	(11,375 )	-	145,572
Selling, general and administrative expenses	14,715	14,511		-	29,226
Non-recurring and aquisition-related costs	1,094	-		-	1,094
Depreciation and amortization	7,225	-	11,375	12,417	j, k 31,017
Loss on disposal and impairment of property and equipment	570	-		-	570
Total operating costs and expenses	94,955	100,107	-	12,417	207,479
Income from operations	7,230	5,849	-	(12,417 )	662
Interest expense, net	1,436	8,479		5,980	1 15,895
Other expense	-	1,553		-	1,553
Income from continuing operations before taxes	5,794	(4,183 )	-	(18,397 )	(16,786 )
Income tax expense	-	270		-	270
Loss from continuing operations	5,794	(4,453 )	-	(18,397 )	(17,056 )
Loss from discontinued operations	(43 )	-		-	(43 )
Net income (loss) before impact of noncontrolling interest	5,751	(4,453 )	-	(18,397 )	(17,099 )
Net income (loss) attributable to noncontrolling interest	-	(270 )		270	m -
Net income (loss) attributable to parent company	\$ 5,751	\$ (4,183 )	\$ -	\$ (18,667 )	\$ (17,099 )

Basic earnings per common share:		
Income from continuing operations	\$ 0.21	\$(0.55 )
Loss from discontinued operations	(0.01 )	(0.00 )
Net income	\$ 0.20	\$(0.55 )
Diluted earnings per common share:		
Income from continuing operations	\$ 0.19	\$(0.55 )
Loss from discontinued operations	(0.00 )	(0.00 )
Net income	\$ 0.19	\$(0.55 )
Weighted average shares used in computing earnings per share:		
Basic	28,066	31,248
Diluted	29,843	31,248

- See Note 1 to the Unaudited Pro Forma Condensed Combined Financial Statements for a description of the presentation reclassifications.
- See Note 4 to the Unaudited Pro Forma Condensed Combined Financial Statements.

See accompanying notes to unaudited pro forma condensed combined financial information.

Table Of Contents**Unaudited Pro Forma Condensed Combined Statement of Operations****For the Year Ended December 31, 2015****(in thousands, except per share data)**

	<b>Historical Year ended December 31, 2015</b>	<b>Historical Year ended January 3, 2016</b>	<b>Presentation Reclassifications (1)</b>	<b>Pro Forma Adjustments (2)</b>	<b>Pro Forma Adjusted</b>
	<b>Primo Water Corporation</b>	<b>Glacier Water Services</b>			
Net sales	\$ 126,951	\$ 138,328		\$ -	\$ 265,279
Operating costs and expenses:					
Cost of sales	92,476	112,209	(15,342 )	-	189,343
Selling, general and administrative expenses	19,128	18,884		-	38,012
Non-recurring and acquisition-related costs	275	-		-	275
Depreciation and amortization	10,432	-	15,342	16,397	j, k 42,171
Loss on disposal and impairment of property and equipment	500	-		-	500
Total operating costs and expenses	122,811	131,093	-	16,397	270,301
Income from operations	4,140	7,235	-	(16,397 )	(5,022 )
Interest expense, net	1,987	11,191		8,211	1 21,389
Other expense	-	2,371		-	2,371
Income from continuing operations before taxes	2,153	(6,327 )	-	(24,608 )	(28,782 )
Income tax expense	-	320		-	320
Loss from continuing operations	2,153	(6,647 )	-	(24,608 )	(29,102 )
Loss from discontinued operations	(296 )	-		-	(296 )
Net income (loss) before impact of noncontrolling interest	1,857	(6,647 )	-	(24,608 )	(29,398 )
Net income (loss) attributable to noncontrolling interest	-	(403 )		403	m -
Net income (loss) attributable to parent company	\$ 1,857	\$ (6,244 )	\$ -	\$ (25,011 )	\$ (29,398 )

Basic earnings per common share:

Income from continuing operations	\$ 0.08	\$ (1.03 )
Loss from discontinued operations	(0.01 )	(0.01 )
Net income	\$ 0.07	\$ (1.04 )

Diluted earnings per common share:

Income from continuing operations	\$ 0.08	\$ (1.03 )
Loss from discontinued operations	(0.01 )	(0.01 )
Net income	\$ 0.07	\$ (1.04 )

Weighted average shares used in computing earnings per share:

Basic	25,190	28,357
Diluted	27,001	28,357

See Note 1 to the Unaudited Pro Forma Condensed Combined Financial Statements for a description of the presentation reclassifications.

1) See Note 4 to the Unaudited Pro Forma Condensed Combined Financial Statements.

See accompanying notes to unaudited pro forma condensed combined financial information.



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**Notes to Unaudited Pro Forma Condensed Combined Financial Information**

**1. Basis of Pro Forma Presentation**

The historical financial statements have been adjusted in the pro forma condensed combined financial information to give effect to pro forma events that are (1) directly attributable to the business combination, (2) factually supportable and (3) with respect to the pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results following the business combination.

The preliminary unaudited pro forma condensed combined financial information is prepared using the purchase method of accounting, as defined by Financial Accounting Standards Board Accounting Standards Codification Topic 805 *Business Combinations*, with Primo treated as the acquirer.

The allocation of the purchase price used in the preliminary unaudited pro forma condensed combined financial information is based on preliminary estimates. The estimates and assumptions are subject to change at the effective time of the acquisition. The final determination of the allocation of the purchase price will be based on the actual tangible assets and liabilities, and intangible assets of Glacier as of the effective time of the acquisition. Accordingly, the final purchase accounting adjustments may be materially different from the preliminary unaudited adjustments presented herein. Acquisition-related transaction costs may also differ at the time of the acquisition.

At the effective time of the acquisition, the cash paid, debt financing required and shares of and warrants to purchase Primo common stock issued may differ from the information in the preliminary unaudited pro forma condensed combined financial information. In addition, the actual allocation of the type and amount and the terms of the financing may differ from that set forth herein.

The preliminary unaudited pro forma condensed combined financial information has been compiled in a manner consistent with the accounting policies adopted by Primo. These accounting policies are similar in most material respects to those of Glacier. Upon completion of the acquisition, or as more information becomes available, we will perform a more detailed review of Glaciers' accounting policies. As a result of that review, differences could be identified between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements.

Certain reclassifications to the historical financial statements of Glacier have been made in the presentation reclassification columns of the pro forma condensed combined statements of operations to present them on a basis consistent with those of Primo. Presentation reclassifications include an adjustment for reclassifying a portion of depreciation and amortization from cost of sales to depreciation and amortization to conform with the presentation of Primo's historical financial statements.

The preliminary unaudited pro forma condensed combined financial information is presented for informational purposes only and is not intended to represent the consolidated financial position or consolidated results of operations of Primo that would have been reported had the acquisition been completed as of the dates described above, and should not be taken as indicative of any future consolidated financial position or consolidated results of operations. The preliminary unaudited pro forma condensed combined statements of operations do not reflect any sales or cost savings from synergies that may be achieved with respect to the combined companies, or the impact of non-recurring items, including restructuring liabilities, directly related to the acquisition.

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## **2. Financing Transactions**

The total preliminary transaction consideration is approximately \$273.0 million (including assumed debt), consisting of approximately \$49.9 million in cash consideration, approximately \$36.2 million in shares of Primo common stock, approximately \$74.9 million in net debt assumed, approximately \$63.3 million in debt retired, approximately \$39.2 million for repayment of the historical noncontrolling interest, and five-year warrants to purchase 2.0 million shares of Primo common stock at an exercise price of \$11.88 per share valued at approximately \$9.5 million, subject to adjustments based on any increases in Glacier's debt and certain transaction expenses.

At the effective time of the acquisition, each share of Glacier common stock (other than any dissenting shares or any shares held by Glacier or any of its subsidiaries) issued and outstanding immediately before the effective time shall be converted into the right to receive the following approximate consideration (the "Per Share Merger Consideration"): (i) \$12.17 in cash (the "Per Share Cash Amount"), (ii) 0.87 of a share of Primo common stock (the "Per Share Stock Amount") and (iii) a warrant to purchase 0.54 of a share of Primo common stock (the "Per Share Warrant Amount") (in each case, assuming, among other things, that, prior to the closing of the Merger, Glacier (a) issues approximately 63,000 shares of Glacier common stock to certain Glacier employees as bonus compensation, (b) Glacier incurs approximately \$5.6 million in certain transaction expenses in connection with the Merger and (c) does not incur additional indebtedness after October 9, 2016 other than borrowings under its credit agreement. The transaction is expected to close in late 2016, subject to customary closing conditions.

The acquisition will be financed, in part, with borrowing under the credit facility contemplated by the Commitment Letter (the "Senior Credit Facility"), net of estimated debt issuance costs. The Senior Credit Facility consists of a \$186.0 million term loan (the "Term Loan") and a \$10.0 million revolving facility (the "Revolving Facility"). Interest on the borrowing under the Senior Credit Facility is calculated based on either a floating rate of LIBOR + 5.50% or a base rate + 4.50%, with a 1.00% LIBOR floor and a 4.00% base rate floor, payable monthly for base rate borrowings and up to quarterly for LIBOR borrowings. The Senior Credit Facility matures five years after the initial funding date with all outstanding borrowings and accrued interest on the Revolving Facility to be repaid on such date.

## **3. Preliminary Purchase Price Allocation**

The unaudited pro forma condensed combined financial information includes various assumptions, including those related to the preliminary purchase price allocation of the assets acquired and liabilities assumed of Glacier based on management's preliminary estimates of fair value. The final purchase price allocation may differ significantly based on final appraisals, third-party valuations and analyses of the assets acquired and liabilities assumed. Accordingly, the preliminary allocation described below is subject to change:



(dollars in millions)

**Aggregate purchase price:**

Cash consideration	\$49.9
Common stock to be tendered	36.2
Warrants issued	9.5
Liabilities extinguished	63.3
Noncontrolling interest retired	39.2
Purchase price	\$198.1

**Preliminary purchase price allocation:**

Net current assets	\$1.8
Property and equipment	123.1
Identifiable intangible assets	78.1
Investments and other assets	7.1
Liabilities assumed	(92.8 )
Goodwill	80.8
	\$198.1

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The initial allocation of the purchase price to specific assets and liabilities as shown above was based, in part, upon preliminary estimates and appraisals, and is therefore subject to change. Further, since the acquisition has not yet been completed, it is likely that the working capital of Glacier on the date of acquisition will be different with a corresponding adjustment to goodwill. The identifiable intangible assets consist primarily of customer lists, relationships and trade names, as described more fully in Note 4.

#### **4. Pro Forma Adjustments**

The pro forma adjustments are based on our preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the unaudited pro forma condensed combined financial information:

##### **Pro Forma Adjustments to the Consolidated Balance Sheet as of September 30, 2016**

- a. The net adjustment to cash represents the difference between the estimated initial \$160.0 million in borrowing under the Senior Credit Facility, net of approximately \$7.3 million in debt issuance costs, and uses of cash for the acquisition including \$49.9 million in cash consideration, \$39.2 million in payment for the noncontrolling interest, \$63.3 million for the repayment of the historical debt of Glacier, and \$2.0 million in estimated equity issuance costs.
  
- b. The adjustment to property and equipment reflects the historical property and equipment of Glacier at fair value based on preliminary estimates. The fair value calculations are preliminary and subject to change after we finalize our review of the specific types, nature, age, condition and location of Glacier's property and equipment.
  
- c. This adjustment removes Glacier's historical goodwill and records the goodwill associated with Primo's acquisition of Glacier. See Note 3 for the preliminary for the preliminary purchase price allocation. The initial allocation of the purchase price to specific assets and liabilities is based, in part, upon preliminary appraisals, and is therefore subject to change.
  
- d. The adjustment to intangible assets reflects the removal of the historical intangible assets of Glacier. This adjustment also records identified intangible assets acquired in the acquisition, including customer relationship and tradename intangible assets, at their fair value based on preliminary estimates. Refer to further description in Note K below.



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- e. The adjustment to investment in Glacier Water Trust I common securities and Glacier Water Trust I preferred securities reflects the historical investments of Glacier at fair value based on preliminary estimates.
- f. These adjustments remove Glacier's historical line of credit and Series B Junior Subordinated Debentures that will be repaid at the closing of the acquisition. These adjustments also remove Glacier's historical deferred financing costs, net which are replaced by debt issuance costs associated with the acquisition-related financing transactions and reflected as a direct deduction from the carrying amount of such liabilities.
- g. These adjustments reflect the estimated proceeds of \$160.0 million in borrowings under the Senior Credit Facility, less the estimated \$7.3 million in transaction fees and expenses.
- h. This adjustment reflects the historical Junior subordinated debentures of Glacier at fair value based on preliminary estimates.
- i. These adjustments reflect the removal of Glacier's historical equity, including the payoff of the historical noncontrolling interest. Additionally, these adjustments reflect the estimated proceeds of \$36.2 million from the issuance of Primo common stock, less \$2.0 million in estimated equity issuance costs. Lastly, these adjustments reflect the fair value of the warrant to purchase 2.0 million shares of Primo common stock of approximately \$9.5 million, determined using the Black-Scholes valuation model.

**Pro Forma Adjustments to the Statement of Operations for the Year Ended December 31, 2015 and the Nine Months Ended September 30, 2016**

- j. This adjustment reverses historical depreciation expense and records new depreciation expense based on the preliminary fair value of property and equipment on a straight-line basis. The depreciation of property and equipment is based on the estimated remaining useful lives of the assets, which are currently estimated to range between 2 and 13 years. The fair value and useful life calculations are preliminary and subject to change after we finalize our review of the specific types, nature, age, condition and location of Glacier's property and equipment. The net adjustment to depreciation is as follows:

**(dollars in millions)**

	<b>Nine months ended</b>	<b>Year ended</b>
	<b>September 30, 2016</b>	<b>December 31, 2015</b>
Reversal of historical depreciation	\$ (10.6	) \$ (14.3 )
Depreciation of acquired property and equipment	21.2	28.2
<b>Pro forma depreciation expense adjustment</b>	<b>\$ 10.6</b>	<b>\$ 13.9</b>

k. This adjustment reverses historical amortization and records new amortization based on the preliminary fair value of identifiable intangibles. Amortization expense is recorded on a straight-line basis. The net adjustment to amortization is as follows:

<b>(dollars in millions)</b>	<b>Nine months ended</b>	<b>Year ended</b>
	<b>September 30, 2016</b>	<b>December 31, 2015</b>
Reversal of historical amortization	\$ (0.5	) \$ (0.7 )
Amortization of acquired identifiable intangible assets	2.4	3.2
<b>Pro forma amortization expense adjustment</b>	<b>\$ 1.9</b>	<b>\$ 2.5</b>

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The table below indicates the preliminary fair value of each of the intangibles identified and the approximate useful life of each:

<b>Intangible Asset (dollars in millions)</b>	<b>Estimated Fair Value</b>	<b>Estimated Useful Life</b>	<b>Estimated Annual Amortization Expense</b>
Customer relationships	\$ 45.0	15 Years	\$ 3.0
Tradenames	29.7	Indefinite	N/A
Patents	3.0	15 Years	\$ 0.2
Other	0.4	15 Years	\$ 0.0
	<b>\$ 78.1</b>		

The valuation of identifiable intangible assets may differ significantly based on final third-party valuations. A 10% change in the valuation of identifiable intangible assets would cause a corresponding increase or decrease in the balance of goodwill and annual amortization expense of approximately \$0.3 million, assuming an overall weighted-average useful life of 15 years.

1. This adjustment records the additional interest expense on the estimated borrowings under the Senior Credit Facility, net of interest expense on the current revolving credit facility and Series B Junior Subordinated Debentures, which are being repaid at the closing of the acquisition. The adjustment is summarized below:

<b>(dollars in thousands)</b>	<b>Nine months ended</b>	<b>Year ended</b>
	<b>September 30, 2016</b>	<b>December 31, 2015</b>
Reversal of Glacier interest expense on line of credit and Series B junior subordinated debentures	\$ (2,614	) \$ (3,280 )
Reversal of Glacier amortization for deferred financing costs and OID amortization	(335	) (413 )
Interest expense on Senior Credit Facility	7,800	10,400
Amortization of new debt issuance costs	1,091	1,454
Interest expense for unused portion of revolving credit facility	38	50
<b>Pro forma adjustments to interest expense</b>	<b>\$ 5,980</b>	<b>\$ 8,211</b>

A change in the interest rates under the Senior Credit Facility of 0.125% would result in an estimated \$0.2 million change in annual interest expense.

m. This adjustment eliminates the impact of the noncontrolling interest on the unaudited pro forma consolidated statements of operations as it will be paid off at the closing of the acquisition.

Table Of Contents**MARKET PRICE AND DIVIDEND INFORMATION***Primo*

Primo common stock is listed for trading on the Nasdaq Global Market under the trading symbol “PRMW.” As of the Record Date of October 6, 2016, Primo had approximately 46 stockholders of record. The following table sets forth, for the periods indicated, the high and low reported sale prices per share of Primo common stock. The closing price of Primo common stock was \$11.85 per share on October 7, 2016, the last trading day before public announcement of the Merger.

	High	Low
<u>Year Ending December 31, 2016</u>		
Fourth Quarter (through December 2, 2016)	\$ 14.99	\$ 11.43
Third Quarter	12.59	11.13
Second Quarter	12.37	9.90
First Quarter	10.20	7.76
<u>Year Ended December 31, 2015</u>		
Fourth Quarter	\$9.70	\$7.16
Third Quarter	7.75	5.06
Second Quarter	6.44	4.97
First Quarter	5.35	3.90
<u>Year Ended December 31, 2014</u>		
Fourth Quarter	\$4.55	\$3.60
Third Quarter	5.00	3.51
Second Quarter	4.92	3.81
First Quarter	4.45	2.61

Primo has never paid or declared cash dividends on its common stock. Primo currently intends to retain any future earnings to finance the growth, development and expansion of its business. Accordingly, Primo does not expect to declare or pay any cash dividends on its common stock in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Primo board of directors and will depend upon various factors, including its results of operations, financial condition, capital requirements, investment opportunities and other factors that the Primo board of directors deems relevant.



*Glacier*

Since 2006, Glacier common stock has not been listed on an exchange but is quoted in the Pink Sheets Electronic Quotation Service under the symbol "GWSV." As of the Record Date of October 6, 2016, Glacier had approximately 27 stockholders of record. The following table sets forth, for the periods indicated, the high and low reported sale prices per share of Glacier common stock. The closing price of Glacier common stock was \$11.00 per share on October 7, 2016, the last trading day before public announcement of the Merger.

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	High	Low
<u>Year Ending December 31, 2016</u>		
Fourth Quarter (through December 2, 2016)	\$23.50	\$11.00
Third Quarter	12.25	9.00
Second Quarter	12.30	8.95
First Quarter	14.40	12.50
<u>Year Ended December 31, 2015</u>		
Fourth Quarter	\$14.95	\$9.85
Third Quarter	16.90	14.30
Second Quarter	17.00	13.75
First Quarter	15.80	13.55
<u>Year Ended December 31, 2014</u>		
Fourth Quarter	\$21.00	\$13.60
Third Quarter	21.50	18.60
Second Quarter	22.00	18.50
First Quarter	22.00	19.25

Glacier has not paid a dividend on its common stock since December 2009 and does not expect to pay any dividends on its common stock in the foreseeable future if the Merger does not occur, in which event any future determination to pay dividends will be at the discretion of the Glacier board of directors and will depend upon various factors, including its results of operations, financial condition, capital requirements, investment opportunities and other factors that the Glacier board of directors deems relevant.

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**DESCRIPTION OF PRIMO CAPITAL STOCK**

**General**

The following summary description of Primo's capital stock is based on the provisions of the DGCL, Primo's sixth amended and restated certificate of incorporation and Primo's amended and restated bylaws, as amended. This description does not purport to be complete and is qualified in its entirety by reference to the full text of the DGCL and to the terms of the sixth amended and restated certificate of incorporation and amended and restated bylaws, which are included as exhibits to the registration statement of which this prospectus is a part. See "Where You Can Find More Information" beginning on Page . As used in this "Description of Capital Stock," the term Primo refers to Primo Water Corporation, a Delaware corporation, and does not, unless otherwise specified, include the subsidiaries of Primo Water Corporation.

As of the date of this consent solicitation statement/prospectus, Primo's authorized capital stock consists of: (1) 70,000,000 shares of common stock, \$0.001 par value per share (26,100,830 of which were outstanding at December 2, 2016) and (2) 10,000,000 shares of preferred stock, \$0.001 par value per share (none of which were outstanding as of December 2, 2016).

**Common Stock**

Voting. Except as otherwise required by Delaware law, at every annual or special meeting of stockholders, every holder of common stock is entitled to one vote per share. There is no cumulative voting in the election of directors.

Dividend Rights. Subject to preferences that may be applicable to any outstanding series of preferred stock, the holders of Primo common stock will receive ratably any dividends declared by Primo's board of directors out of funds legally available for the payment of dividends.

Liquidation and Preemptive Rights. In the event of Primo's liquidation, dissolution or winding-up, the holders of Primo common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of Primo preferred stock, if any, then outstanding. The holders of Primo common stock have no redemption or conversion rights, no sinking fund provisions and no preemptive rights to subscribe for or purchase

additional shares of any class of Primo's capital stock.

The outstanding shares of Primo common stock are fully paid and nonassessable. The rights, preferences and privileges of holders of Primo common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that Primo may designate and issue in the future.

### **Preferred Stock**

Subject to the terms of the Primo Water Corporation sixth amended and restated certificate of incorporation, Primo's board of directors is authorized to issue from time to time up to 10,000,000 shares of preferred stock in one or more series without stockholder approval. Primo's board of directors retains the discretion and authority to determine the rights, preferences, powers and restrictions, including voting powers, dividend rights, conversion rights, redemption rights and liquidation preferences, of each series of preferred stock. It is not possible to state the actual effect of the issuance of any shares of Primo preferred stock on the rights of holders of Primo common stock until if and when Primo's board of directors determines the specific rights associated with that preferred stock. The effects of issuing preferred stock could include decreasing the amount of earnings and assets available for distribution to holders of Primo common stock, restricting dividends on Primo common stock, diluting the voting power of Primo common stock, impairing the liquidation rights of Primo common stock, or delaying, deferring or preventing changes in Primo's control or management.

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Prior to the issuance of shares of preferred stock, Primo's board of directors is required by the DGCL and the Primo charter to adopt resolutions and file a certificate of designation with the Secretary of State of the State of Delaware, which will fix for each class or series of preferred stock the rights, preferences and privileges of such class or series. The DGCL provides that the holders of Primo preferred stock will have the right to vote separately as a class on any proposed amendment that would alter or change the powers, preferences or special rights of such class so as to effect them adversely. This right is in addition to any voting rights that may be provided for in the applicable certificate of designation. Shares of Primo's preferred stock that Primo issues in accordance with their terms will be fully paid and nonassessable, and will not be entitled to preemptive or similar rights unless specified in the applicable prospectus supplement.

Primo's board of directors may authorize, without stockholder approval, the issuance of preferred stock with voting and conversion rights that could adversely affect the voting power and other rights of holders of Primo common stock. Primo's board of directors could issue a series of preferred stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt of Primo. Primo's board of directors could also issue preferred stock having terms that could discourage an acquisition attempt through which an acquirer may be able to change the composition of Primo's board of directors, including a tender offer or other transaction that some, or a majority, of Primo's stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then-current market price. Any issuance of preferred stock therefore could have the effect of decreasing the market price of Primo's common stock.

### **Stock Options, Restricted Stock and Restricted Stock Units**

As of November 24, 2016, Primo has outstanding options to purchase a total of 1,941,852 shares of Primo common stock at a weighted average exercise price of \$5.03 per share. Of this total, 1,278,767 options have vested and 663,085 remained unvested. As of November 24, 2016, Primo also has outstanding 202,030 restricted stock units that are to be settled in shares of Primo common stock. As of November 24, 2016, an additional 962,888 shares of Primo common stock were available for future awards under Primo's 2010 Omnibus Long-Term Incentive Plan.

### **Warrants**

As of November 24, 2016, Primo had issued warrants to purchase a total of 856,202 shares of Primo common stock at a weighted average exercise price of \$5.08 per share.

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Warrants to purchase a total of 107,279 shares of Primo common stock expire between January 10, 2017 and June 2, 2018 and have an exercise price of \$5.08 per share.

Warrants to purchase a total of 117,495 shares of Primo common stock expire in either December 2019 or October 2020 and have an exercise price of \$9.60 per share.

Warrants to purchase a total of 25,000 shares of Primo common stock expire on November 28, 2021 and have an exercise price of \$2.93 per share.

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A prior credit facility included detachable warrants received by five of Primo's current directors or stockholders to purchase 131,428 shares of Primo common stock. These warrants are exercisable at an exercise price of \$2.30 per share and expire April 30, 2020.

Primo issued warrants to DS Services of America, Inc. to purchase 475,000 shares of Primo common stock pursuant to a services agreement with DS Services. These warrants are exercisable at an exercise price of \$3.04 per share and expire on January 1, 2021.

**Anti-Takeover Provisions**

Delaware law, Primo's charter and its bylaws contain provisions that could delay or prevent a change of control of Primo or changes in Primo's board of directors that its stockholders might consider favorable. The following is a summary of these provisions.

Delaware Law

Primo is subject to Section 203 of the Delaware General Corporation Law. Section 203 generally prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

prior to the date the person became an "interested stockholder," the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

upon the consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (a) shares owned by persons who are directors and also officers, and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

on or subsequent to the date of the transaction, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

any merger or consolidation involving the corporation and the interested stockholder;

any sale, lease, exchange, mortgage, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;

subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; and

the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.



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In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Sixth Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

*Undesignated Preferred Stock.* Primo's board of directors has the ability to issue preferred stock with rights, preferences and powers, including voting powers, that could have the effect of deterring hostile takeovers or delaying changes in control of Primo or its management.

*Limits on Ability to Act by Written Consent or Call a Special Meeting.* Primo's sixth amended and restated certificate of incorporation provides that Primo's stockholders may not act by written consent except as otherwise provided in any resolution of the Primo board of directors creating the preferred stock. This limit on the ability of Primo's stockholders to act by written consent may lengthen the amount of time required to take stockholder actions. As a result, a holder controlling a majority of Primo's capital stock would not be able to amend Primo's sixth amended and restated certificate of incorporation or its amended and restated bylaws or remove directors without holding a meeting of Primo's stockholders called in accordance with its amended and restated bylaws.

In addition, Primo's sixth amended and restated certificate of incorporation provides that special meetings of the stockholders may be called only by its board of directors, the chairperson of the board of directors, the chief executive officer or the president (in the absence of a chief executive officer). A Primo stockholder may not call a special meeting, which may delay the ability of Primo's stockholders to force consideration of a proposal or for holders controlling a majority of Primo's capital stock to take any action, including the removal of directors.

*Requirements for Advance Notification of Stockholder Nominations and Proposals.* Primo's amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of Primo's board of directors or one of its committees. Primo's stockholders must notify Primo's Secretary in writing prior to the meeting at which the matters are to be acted upon or directors are to be elected. The notice must contain the information specified in Primo's amended and restated bylaws. To be timely, the notice must be received at Primo's principal executive office not later than the 90th day nor earlier than the 120th day prior to the first anniversary of the date of the prior year's annual meeting of stockholders. If the date of the annual meeting is more than 30 days before or after such anniversary date, or if no annual meeting was held in the preceding year, notice by the stockholder, to be timely, must be received not earlier than the 120th day prior to the annual meeting, and not later than the later of the 90th day prior to the annual meeting, or the 10th day following the day on which public announcement of the date of such meeting is first made or notice of

the meeting date is mailed, whichever occurs first.

Primo's amended and restated bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of Primo.

*Board of Directors.* Primo's board of directors (and not its stockholders) may appoint a director to fill a vacancy, including vacancies created by the expansion of the board of directors subject to the rights of holders of any series of preferred stock with respect to the election of directors.

Primo's sixth amended and restated certificate of incorporation and its amended and restated bylaws do not provide for cumulative voting in the election of directors. Cumulative voting permits stockholders to apportion the total number of votes they can cast in an election of directors in any fashion they desire, including casting all of the votes for one director. With cumulative voting, the total number of votes to be cast would equal the number of directors to be elected at meeting multiplied by the number of shares eligible to vote. Cumulative voting enables holders of a minority stake to elect one or more directors if they can muster sufficient support. The absence of cumulative voting may make it more difficult for stockholders who own less than a majority in voting power to elect any directors to Primo's board of directors.

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Primo's sixth amended and restated certificate of incorporation and its amended and restated bylaws also provide that the board of directors is divided into three classes, with members of each class serving staggered three-year terms. This classification of the board of directors could have the effect of delaying or discouraging an acquisition or a change in management.

*Limitations of Directors' Liability and Indemnification.* Primo's sixth amended and restated certificate of incorporation limits the liability of its directors to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

breach of their duty of loyalty to Primo or its stockholders;

act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;

unlawful payment of dividends or redemption of shares as provided in Section 174 of the DGCL; or

transaction from which the directors derived an improper personal benefit.

These limitations of liability do not apply to liabilities arising under federal securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission.

Primo's amended and restated bylaws provide that it will indemnify and advance expenses to its directors and officers to the fullest extent permitted by law or, if applicable, pursuant to indemnification agreements. They further provide that Primo may choose to indemnify other employees or agents of the corporation from time to time. Section 145(g) of the DGCL and Primo's amended and restated bylaws also permit Primo to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with his or her services to Primo, regardless of whether Primo's amended and restated bylaws permit indemnification. Primo has obtained a directors' and officers' liability insurance policy.

Primo has entered into indemnification agreements with each of its directors that provide, in general, that it will indemnify them to the fullest extent permitted by law in connection with their service to Primo or on its behalf.

At present, there is no pending litigation or proceeding involving any of Primo's directors or officers as to which indemnification is required or permitted, and Primo is not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to Primo's directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the Securities and Exchange Commission, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

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**Transfer Agent and Registrar**

The transfer agent and registrar for Primo's common stock is Wells Fargo Bank, N.A.

**Stock Market**

Primo's common stock is traded on the Nasdaq Global Market under the symbol "PRMW."

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**INFORMATION ABOUT GLACIER**

**Business**

*Water Refill Machines*

As of October 2, 2016, Glacier operated approximately 22,600 water refill machines, approximately 18,400 of which are coin-operated machines designed for outdoor locations and approximately 4,200 of which are non-coin-operated machines designed for indoor locations. All of the Glacier Water machines are designed and built by Glacier, using interchangeable filtration parts to simplify maintenance.

Coin-operated water machines are generally placed outside retail stores, and the retail stores are paid a percentage of sales as a commission. The average price paid by the consumer for water vended from these machines is \$0.28 per gallon.

Non-coin water machines are generally placed inside retail stores, and the consumer pays for the water at check-out directly to the retailer. The retailer then keeps a percentage of sales generated as a commission and remits the remainder to Glacier. The average price paid by the consumer for water vended from these machines is \$0.39 per gallon. In some cases, Glacier sells empty water bottles on a wholesale basis to retailers for resale to consumers, or the retailer may purchase empty bottles from another source and those bottles may be marketed next to our machines. Indoor machines are located inside the retailer's retail selling footprint. Glacier offers retailers a variety of indoor machines with different footprints in order to provide retailers flexibility in determining how many linear feet of space to devote to the machines. In many cases, these indoor machines provide filtered water for the retailer's use for misting produce and other store purposes.

Glacier generally places its outdoor and in-store water refill machines on the premises of grocery and other retailer locations. Glacier provides the machines and typically pays for installation costs, while the retailer typically provides and pays for the required municipally supplied water and for the electricity to operate the machines. If for any reason Glacier believes that a machine has been placed in an undesirable location, Glacier can easily redeploy the machine to an alternative location.

In almost all cases, Glacier (rather than the retailer) sets retail pricing, which Glacier reviews on an ongoing basis. Because Glacier's vended water product has substantial cost advantages and currently a substantial retail price advantage over other forms of bottled water, Glacier has the potential to selectively or generally increase its prices.

#### *Filtration Process*

Glacier's water machines are designed with a technologically-advanced comprehensive filtration system which is similar to the filtration that occurs in large-scale processing plants of other bottled water companies. Glacier's machines improve the taste and quality of local water sources through a sophisticated five-step process utilizing the following systems:

- activated carbon filtration, which reduces chlorine, odors and tastes;
- micron filtration, which reduces dirt, rust and other particles;
- reverse osmosis, which reduces salts and other impurities;
- post-carbon filtration, which improves taste; and

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- ultraviolet disinfection, which ensures safe, high-quality drinking water.

### *In-Store Ice Bagging Machines*

In addition to Glacier's core indoor and outdoor water machines, as of October 2, 2016 Glacier also operated 700 in-store ice bagging machines. These machines produce ice, fill and seal ten pound bags with ice, and present the bags for sale to the consumer. The average price paid by the consumer for a ten pound bag of ice is \$2.00. Glacier provides the machines and typically pays for installation costs, while the retailer typically provides and pays for the required municipally supplied water and for the electricity to operate the machines. The machines are placed inside retail stores, and the consumer pays for the ice at check-out directly to the retailer. The retailer then keeps a percentage of sales generated as a commission and remits the remainder to Glacier.

### *Retail Partners*

Among the retailers with whom Glacier has long-standing relationships are: Albertsons/Safeway, Circle K, CVS, Family Dollar, H-E-B, Kroger, Publix, Save Mart, Stater Brothers, Rite Aid, Wal-Mart, Walgreens and Winn-Dixie. Glacier has long-standing relationships of 25 years or more with many of its significant retail partners, including a majority of those named above. Glacier believes that these relationships are a result of its brand recognition, product and service quality and growing same-store sales. Glacier participates in multiple retail channels, with more than 5,000 retail partners as of October 2, 2016. Only two of our retail partners accounted for more than 10% of Glacier's fiscal 2015 and its year-to-date October 2, 2016 revenues, and its top 10 retail relationships accounted for less than 52% of its fiscal 2015 and year-to-date October 2, 2016 revenues.

Most of Glacier's arrangements with its retail partners are evidenced by written contracts which have terms that generally range from two to five years and contain termination clauses as well as automatic renewal clauses. During the term of these agreements, Glacier has the exclusive right to provide water refill or ice machines at specified locations. Glacier's retail partners are generally compensated by its payment to them of a commission based on machine revenues. Glacier's agreements also typically provide that it may remove a machine from a particular location. From time to time Glacier may remove a machine if it determines that it is not economically feasible for Glacier to maintain the machine in the location.

### *Site Selection*



The placement of Glacier's machines at retail locations is based on a thorough review of each site. Included in the site review is an analysis of the surrounding trade area in order to determine the neighborhood demographics, the level of overall retail activity, the level of direct competition and the proximity of the site to other machines operated by Glacier. Glacier also reviews each site in order to ensure high visibility and easy access for the consumer. Upon completion of this review, Glacier makes a determination as to the viability of the location and whether a single machine or multiple machines are required at the time of initial installation. With large retail chains, Glacier generally places machines at most of the chains' locations as part of its business agreements.

Glacier creates economies of scale in its operations by clustering machines in close proximity to one another within the geographic areas served, in order to provide cost-effective, frequent service. Using Glacier's advanced technology and real-time data gathering capability, Glacier monitors and evaluates demand for its product at each location. This allows Glacier to continue to evaluate demand for its product at each location, to evaluate the productivity of its machines and to relocate machines as necessary to optimize their productivity on an on-going basis.

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*Sales to Retail Partners*

Glacier has both national and regional sales personnel who actively pursue relationships with new and existing retail partners. Glacier's sales personnel work closely with retailers to arrange for prompt installation of its machines and coordination between the retailers and its service personnel.

*Consumer Marketing*

Glacier's primary marketing vehicles are its water refill machines and the billboard effect it creates coupled with social media. As part of its site selection process, Glacier continually tests the market, using marketing and promotional programs to help accelerate machine sales and productivity while monitoring consumer behavior at each location. Glacier's consumer marketing strategy highlights the core benefits to consumers, which its believe are superior value and reduced environmental impact compared to other forms of bottled water, to help build brand awareness and increase consumer sales.

*Glacier's Service Force*

Glacier's service team is currently organized into 11 geographic divisions. All of its service technicians undergo in-house and on-site training. Glacier believes that it would be difficult for a competitor to replicate its in-house service capability.

All of Glacier's machines are serviced by its own service technicians on a regularly scheduled basis, generally no less frequently than bi-weekly. At their regularly scheduled service calls, Glacier's technicians collect cash from all coin-operated machines, perform component testing and preventative maintenance, download operating data through their hand-held computers and transmit that data to Glacier's central office. In addition, Glacier's technicians respond to unscheduled service requests by consumers or retail partners.

*Assembly*

Glacier assembles its water machines at its Vista, California facility. The assembly process involves installing replaceable panels and component parts on frames built to last for many years. Individual filters and other processing components are generally sourced by Glacier from multiple suppliers. Although Glacier generally does not have long-term contractual commitments from suppliers, it has long-term relationships with many of its suppliers. The in-store ice bagging machines consist of three components that are manufactured by companies other than Glacier.

### *Competition*

Glacier competes with bottled water, with other water vending providers and with household water filtration systems and devices. Glacier competes on two levels — both at the retailer and consumer level.

Bottled water is generally significantly more expensive than Glacier's vended water, and it has a significantly greater impact on the environment. On average, the price to the consumer for Glacier's vended water is \$0.30 per gallon, while the average price per gallon for other bottled water is often three or more times the price.

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Glacier believes that its water is comparable in taste and quality to other bottled water and is, therefore, of a substantially better value. In addition, Glacier's water is environmentally friendlier than bottled water, with lower environmental impact in terms of fossil fuel usage (both for the manufacture of bottles and for transportation) and in terms of plastic waste. At the retailer level, Glacier believes it offers advantages as well. Glacier believes that retailers' margins on its water are higher than their typical margins on bottled water, and the presence of one or more of Glacier's machines at the retailer's premises should enable the retailer to reduce valuable shelf space devoted to bottled water.

None of Glacier's competitors in the vended water business combine Glacier's national presence and in-house national field service organization. Glacier competes with other vended water producers at the consumer level on the basis of its prime retail locations and on its greater consumer visibility as a result of Glacier's leading market share and nationwide presence. These factors are also a basis of competition at the retailer level. On the retailer level, Glacier also competes on the basis of what it believes to be superior customer service on a national and regional level and, for larger retailers, the advantages of dealing with a national company and the breadth of Glacier's product offerings.

Glacier also competes with household water filtration systems. Glacier competes in this market on the basis of water taste and quality. Glacier's water is generally more comprehensively treated than water produced by under-the-sink or faucet filters, which typically have only one level of treatment, usually carbon filtration.

Glacier's ice business competes with delivered ice programs and other ice bagging machines. At a retailer level, Glacier competes in this market on the basis of cost and quality, as well as on the basis that Glacier provides an opportunity to retailers to control their ice supply and earn revenues with minimal labor costs.

Glacier may also be deemed to compete with other beverages, including carbonated and non-carbonated soft drinks, juices, sport and energy drinks, coffee and tea.

## *Intellectual Property*

The trade name and trademarks "Glacier Water" and "Glacier Water & Penguin Design" used by Glacier contain the word "Glacier," which is commonly used and has been registered in connection with other marks and designs by a number of other entities for water and related services. The mark "Glacier Water," by itself, is considered by the United States Patent and Trademark Office to be generic in relation to water and related services. Glacier believes that no party can claim exclusive rights to "Glacier Water," and Glacier may only claim rights to stylized forms of the mark or the mark

with design elements. Glacier can, however, give no assurance that other entities might now assert superior or exclusive rights to the marks and seek to obtain damages from the injunctive relief against Glacier. Therefore, there can be no assurance that Glacier's use of the trade name and trademarks "Glacier Water" and "Glacier Water & Penguin Design" will not violate the proprietary rights of others, which could result in a material adverse effect on Glacier. Glacier also uses the trade name and registered trademark "Bi-Eau Pure" in Canada, and the trade name and registered trademark "Water Island" in select locations in the United States.

Glacier has several patents issued related to the design of its ice bagging machine.

#### *Government Regulation*

The water vending industry is subject to various federal, state and local laws and regulations, which require Glacier, among other things, to obtain licenses for its business and water machines, to pay annual license and inspection fees, to comply with certain detailed design and quality standards regarding the machines and the vended water and to continuously control the quality of the vended water. Glacier's machines are subject to routine and random regulatory quality inspections.

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Glacier's machines are certified by the National Automatic Merchandising Association ("NAMA"). The NAMA "Standard for the Sanitary Design and Construction of Food and Beverage Vending Machines" is a standard governing the sanitary design and construction of food and beverage vending machines and related dispensing equipment and incorporates the requirements of the Model Food Code of the Food and Drug Administration.

*Employees*

As of October 2, 2016, Glacier had 511 employees, including 28 in assembly and warehousing, 64 in administration and sales, and 419 in operations. Glacier hires temporary employees as demand requires. Glacier's employees are not represented by a labor union, and Glacier has not experienced any work stoppages. Glacier believes that its employee relations are good.

*Facilities*

Glacier leases approximately 46,000 square feet of executive offices and warehouse space in Vista, California (near San Diego) for its corporate offices and principal assembly operations with a lease that expires on December 31, 2020. Glacier also leases various other facilities for area service centers. These leases range in size from approximately 1,200 square feet to 20,200 square feet and expire on various dates. Glacier's facilities provide adequate space for its current and future needs, and Glacier expects no difficulty in renewing its principal leases.

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**Management’s Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis of Glacier’s financial condition and results of operations should be read in conjunction with the section titled “Glacier’s Selected Financial and Operating Data” and Glacier’s financial statements and related notes appearing elsewhere in this prospectus. Glacier’s actual results could differ materially from those anticipated in the forward-looking statements included in this discussion as a result of certain factors, including, but not limited to, those in “Risk Factors—Risks Relating to Glacier’s Business” beginning on page of this consent solicitation statement/prospectus.*

**Overview**

Glacier is the leading provider of high-quality, great-tasting filtered drinking water dispensed directly to consumers through technologically advanced, self-service vending machines located at major retailers in the United States and Canada. Glacier operates an extensive network of coin-operated and non-coin-operated water machines supported by the only in-house national field service organization in the industry, providing Glacier’s retail partners with compelling commission streams and incremental customer traffic. Glacier has a highly diversified retail partner base consisting of food, drug, convenience, mass and other retailers. Among Glacier’s retail partners are Circle-K, CVS, Family Dollar, H-E-B, Kroger, Publix, Rite Aid, Albertson’s/Safeway, Save Mart, Stater Brothers, Wal-Mart, Walgreens and Winn-Dixie.

As a result of Glacier’s brand recognition, high-quality product, reliable service and compelling value proposition, Glacier has long-term relationships with key national and regional retail accounts, many of which extend 25 years or more. Glacier’s solution requires no upfront investment from its retail partners and enables them to monetize typically unused retail space. Because Glacier’s consumers make frequent visits to its retail partners’ locations to use Glacier’s machines, the retailers benefit from incremental customer traffic and predictable commission revenue while incurring no labor or inventory expense. Only two of Glacier’s retail partners accounted for more than 10% of Glacier’s fiscal 2015 and its year-to-date October 2, 2016 revenues, and Glacier’s top 10 retail relationships accounted for less than 52% of its fiscal 2015 and year-to-date October 2, 2016 revenues.

Glacier charges an average of \$0.28 per gallon at its coin-operated water machines typically located outside of the retail location and \$0.39 per gallon at its machines located inside, while the price of bottled water sold off the shelf in retail locations is often three or more times the price of Glacier’s vended water. By filtering and dispensing water at the point of sale, Glacier is able to avoid the costs of bottling, packaging, shipping and delivery, and the associated fuel costs. In addition, by eliminating packaging and removing the supply chain, vended water significantly reduces the environmental impact compared to other forms of bottled water.

Glacier has focused in recent years on building a national organization and scalable platform designed to accommodate growth. In addition, Glacier has focused on the overall productivity of its fleet of machines. Glacier's same store sales growth has averaged 2.6% from January 2013 through October 2, 2016. In fiscal 2015, its machines vended approximately 430 million gallons of filtered drinking water. As of October 2, 2016, Glacier owned and operated approximately 22,600 self-service water refill machines installed throughout 47 states and Canada.

In addition to its water machines, as of October 2, 2016 Glacier also operated 700 in-store ice bagging machines. These machines produce ice, fill and seal 10 pound bags with ice, and present the bags for sale to the consumer. The average price paid by the consumer for a 10 pound bag of ice is \$2. The machines are placed inside retail stores, and the consumer pays for the ice at check-out directly to the retailer.



Table Of Contents**How Glacier Assesses the Performance of its Business**

In assessing the performance of Glacier's business, it considers a variety of operational and financial measures. The key measures for determining how its business is performing are revenues, same store sales, new machine placements, gross profit, cost of revenues and selling, general and administrative expenses.

The following table presents its revenues, same store sales growth, machines in operation at period end and net machines added for the periods presented.

	<b>Nine Months Ended</b>		<b>Fiscal Year Ended</b>		
	<b>October 2, 2016</b>	<b>September 27, 2015</b>	<b>January 3, 2016</b>	<b>December 28, 2014</b>	<b>December 29, 2013</b>
	<b>(\$ in thousands)</b>				
Revenues	\$105,956	\$ 104,199	\$ 138,328	\$ 132,921	\$ 124,995
Same store sales growth	0.1 %	1.1 %	3.3 %	5.5 %	1.0 %
Machines in operation at period end	23,261	23,022	22,976	23,374	23,693
Net machines added during period	285	(352 )	(398 )	(319 )	306

***Revenues***

Glacier's revenues consist primarily of sales of filtered drinking water to consumers through its proprietary, company owned, self-service water refill machines and to a smaller degree the sale of bagged ice through its network of in-store ice bagging machines. Glacier's machines are placed at retailers throughout North America and include many of the leading retailers across key segments, including food, drug, convenience and mass channels. Glacier recognizes revenue from the sale of its products at the point of purchase, when a consumer purchases its product from a machine. The gross retail purchase price is recognized as revenue, and the commissions paid by Glacier to retailers are treated as operating expenses. Glacier also sells empty reusable bottles on a wholesale basis to certain retailers for resale to consumers.

***Same Store Sales***

Glacier calculates same store sales with reference only to sales of vended water in the United States and includes a location in same store sales for two comparative periods if it has been in operation for the entirety of the two periods. Non-same store sales are all sales not included in same store sales. There may be variations in the way in which other companies calculate “same store” sales. As a result, data regarding Glacier’s same store sales may not be comparable to similar data made available by other companies in Glacier’s industry, particularly other companies that do not include a location in same store sales until that location has been in operation for a minimum launch period.

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Measuring the change in period-over-period same store sales allows Glacier to evaluate how its installed base is performing. Glacier believes same store sales growth is an important indication of organic growth; over the past three years (fiscal 2013 through September 2016), it has experienced average same store sales growth of 2.6%. Various factors affect same store sales, including:

- consumer preferences, buying trends and overall economic trends;
- the rate at which Glacier's existing and new machines mature;
- weather, including the ambient temperature as compared to the historical averages;
- changes in competition;
- changes in pricing levels and average unit price;
- the level of service that Glacier provides to its machines; and
- general consumer traffic at the retail locations at which its machines are installed.

In general, Glacier expects the volume of sales of a machine to increase as its location matures. Typically the longer a machine is installed at a particular location and consumers develop familiarity with the location and the product, the volume of sales increases. Importantly, same store sales can be affected by both improving the average vends per machine or through increasing the pricing per vend. Glacier believes that the combination of its recently deployed locations maturing and the opportunity to increase retail pricing while maintaining its value positioning relative to other bottled water offerings positions Glacier for long-term same store sales growth.

### ***New Machine Placements and Optimization***

Placing machines in new locations is an important part of Glacier's growth strategy. Glacier believes there are significant placement opportunities across the different classes of trade it participates in and with existing retail customers. Glacier is also focused on the return on investment related to every machine placement. Unlike traditional retail operations, Glacier has the ability to redeploy its machines should it decide to discontinue a location. This enables Glacier to leverage its capital invested in a machine by relocating it to a more desirable location.

### ***Gross Profit and Cost of Revenues***

Gross profit equals Glacier's revenues minus its cost of revenues. Cost of revenues include (i) operating expenses, which include commissions to retailers based on Glacier's revenues, the costs associated with servicing the vending machines (such as wages and benefits for its in-house service professionals, vehicle expenses, and fuel and filters and other consumable components of its machines) and (ii) depreciation and amortization. In general, Glacier does not pay for water or electricity for its vending locations, as the commissions Glacier pays its retail partners are intended to compensate them for these components.

Glacier believes that it has the capacity to meet the growing demands of customers in its markets with its existing national in-house service platform. As Glacier expands its machine placements, Glacier expects its operating expenses to increase in the aggregate, but on a per machine basis, Glacier expects to gain leverage with respect to servicing costs as Glacier better utilizes its existing national in-house platform.

Table Of Contents***Depreciation and Amortization***

Depreciation and amortization expense represents primarily a combination of both depreciation associated with vending machines and their installation and amortization of prepaid contract rights. Vending machines are generally depreciated over 13 years while installation costs are depreciated over five years. In periods during which Glacier is increasing deployment of machines, depreciation expense will generally increase.

***Selling, General and Administrative Expenses***

Glacier's selling, general and administrative ("SG&A") expenses consist primarily of wages, salaries and other employee benefits for its managerial, administrative and sales personnel and other overhead items. As Glacier expands its machine placements, it expects to leverage its existing SG&A cost basis.

***Corporate Tax***

As of October 2, 2016, Glacier had net operating losses of approximately \$77.9 million for federal income tax purposes and \$14.2 million for California income tax purposes. These losses expire at various dates from 2016 through 2035. To the extent available, Glacier intends to use any net operating loss carryforwards to reduce the federal and state income tax liabilities associated with its operations. See "Critical Accounting Policies — Valuation of Deferred Income Taxes" and Note 6 to the Consolidated Financial Statements for information concerning possible limitations on the use of net operating loss carryforwards.

**Results of Operations**

The following table sets forth Glacier's results of operations for the periods indicated:

<b>Nine Months Ended</b>		<b>Fiscal Year Ended</b>		
<b>October</b>	<b>September</b>	<b>January</b>	<b>December</b>	<b>December</b>
<b>2,</b>	<b>27,</b>	<b>3,</b>	<b>28,</b>	<b>29,</b>

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	2016	2015	2016	2014	2013
	(\$ in thousands)				
Revenues	\$ 105,956	\$ 104,199	\$ 138,328	\$ 132,921	\$ 124,995
Cost of revenues:					
Operating expenses	73,083	71,437	95,331	91,427	85,848
Depreciation and amortization	12,513	12,498	16,878	17,207	18,064
Total cost of revenues	85,596	83,935	112,209	108,634	103,912
Gross profit	20,360	20,264	26,119	24,287	21,083
Selling, general and administrative expenses	14,511	14,028	18,884	18,829	18,269
Income from operations	5,849	6,236	7,235	5,458	2,814
Other expenses:					
Other expense	1,553	2,002	2,371	1,859	1,490
Interest expense	8,479	8,232	11,191	10,790	10,718
Total other expense	10,032	10,234	13,562	12,649	12,208
Loss before income taxes	(4,183 )	(3,998 )	(6,327 )	(7,191 )	(9,394 )
Income tax expense	270	245	320	400	398
Net loss	\$(4,453 )	\$(4,243 )	\$(6,647 )	\$(7,591 )	\$(9,792 )
Net loss attributable to noncontrolling interest	(270 )	(258 )	(403 )	(462 )	(393 )
Net loss attributable to Glacier Water Services, Inc.	\$(4,183 )	\$(3,985 )	\$(6,244 )	\$(7,129 )	\$(9,399 )

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The following table sets forth Glacier's results of operations expressed as a percentage of revenues for the periods indicated:

	Nine Months Ended			Fiscal Year Ended				
	October	September		January	December	December		
	2,	27,		3,	28,	29,		
	2016	2015		2016	2014	2013		
Revenues	100.0%	100.0	%	100.0%	100.0	%	100.0	%
Cost of revenues:								
Operating expenses	69.0	68.6		68.9	68.8		68.7	
Depreciation and amortization	11.8	12.0		12.2	12.9		14.5	
Total cost of revenues	80.8	80.6		81.1	81.7		83.2	
Gross profit	19.2	19.4		18.9	18.3		16.8	
Selling, general and administrative expenses	13.7	13.5		13.7	14.2		14.6	
Income from operations	5.5	6.0		5.2	4.1		2.2	
Other expenses (income):								
Other expense	1.5	1.9		1.7	1.4		1.2	
Interest expense	8.0	7.9		8.1	8.1		8.6	
Total other expense	9.5	9.8		9.8	9.5		9.8	
Loss before income taxes	(3.9 )	(3.8 )	)	(4.6 )	(5.4 )	)	(7.6 )	)
Income tax expense (benefit)	0.3	0.2		0.2	0.3		0.3	
Net loss	(4.2 )	(4.1 )	)	(4.8 )	(5.7 )	)	(7.9 )	)
Net loss attributable to noncontrolling interest	(0.3 )	(0.2 )	)	(0.3 )	(0.3 )	)	(0.3 )	)
Net loss attributable to Glacier Water Services, Inc.	(3.9 )%	(3.8 )%	)	(4.5 )%	(5.4 )%	)	(7.6 )%	)

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**Comparison of Nine Months Ended October 2, 2016 to Nine Months Ended September 27, 2015**

***Revenues***

Revenues increased \$1.8 million, or 1.7%, to \$106.0 million for the nine months ended October 2, 2016 from \$104.2 million for the nine months ended September 27, 2015. The increase in revenues resulted primarily from increased ice sales as a result of the increased number of ice locations, a slight increase in same store sales increases on existing locations, offset by the impact of closed locations resulting from retail consolidation in the grocery industry. Same store sales increased 0.1% for the nine months ended October 2, 2016 compared to the nine months ended September 27, 2015. Same store sales were \$89.8 million, or 84.7%, of the \$106.0 million revenues generated for the nine months ended October 2, 2016. The net number of machines in operation increased by 285 during the nine months ended October 2, 2016.

***Operating Expenses***

Operating expenses increased \$1.6 million, or 2.3%, to \$73.1 million for the nine months ended October 2, 2016 from \$71.4 million for the nine months ended September 27, 2015, resulting primarily from the retailer commissions paid on the \$1.8 million increase in revenues noted above and other increases in operating expenses required to service the increasing fleet of water and ice machines on location including labor and repair and maintenance parts, partially offset by lower fuel costs. As a percentage of revenues, operating expenses increased 40 basis points to 69.0% for the nine months ended October 2, 2016 from 68.6% for the nine months ended September 27, 2015.



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***Depreciation and Amortization***

Depreciation and amortization remained unchanged at \$12.5 million for the nine months ended October 2, 2016 and September 27, 2015. Depreciation and amortization as a percentage of revenues decreased 20 basis points to 11.8% for the nine months ended October 2, 2016 from 12.0% for the nine months ended September 27, 2015.

***Gross Profit***

Gross profit increased \$0.1 million, or 0.5%, to \$20.4 million for the nine months ended October 2, 2016 from \$20.3 million for the nine months ended September 27, 2015. As a percentage of revenues, gross profit margin decreased 20 basis points to 19.2% for the nine months ended October 2, 2016 from 19.4% for the nine months ended September 27, 2015, as a result of the above factors.

***Selling, General and Administrative Expenses***

Selling, general and administrative expenses increased \$0.5 million, or 3.4%, to \$14.5 million for the nine months ended October 2, 2016 from \$14.0 million for the nine months ended September 27, 2015, primarily as a result of legal and accounting costs of \$0.3 million related to the merger transaction and an increase in healthcare costs. As a percentage of revenues, selling, general and administrative expenses increased 20 basis points to 13.7% for the nine months ended October 2, 2016 from 13.5% for the nine months ended September 27, 2015.

***Other Expenses***

Other expense decreased \$0.4 million, or 22.4%, to \$1.6 million for the nine months ended October 2, 2016 from \$2.0 million for the nine months ended September 27, 2015. The decrease was attributable to the contingent liability adjustment made in 2015 for the final payment associated to the asset acquisition in 2012.

Interest expense increased by \$0.3 million, or 3.0%, to \$8.5 million for the nine months ended October 2, 2016 from \$8.2 million for the nine months ended September 27, 2015. The increase was attributable to an increase in borrowing

under the revolving credit facility and an increase in the average combined interest rate paid from 4.3% to 4.6%.

### ***Net Loss***

Net loss increased \$0.3 million, or 4.9%, to \$4.5 million for the nine months ended October 2, 2016 from \$4.2 million for the nine months ended September 27, 2015 due to the factors discussed above.

Net loss attributable to noncontrolling interest was \$0.3 million of the net loss for the nine months ended October 2, 2016 and the nine months ended September 27, 2015.

### **Comparison of Fiscal Year 2015 to Fiscal Year 2014**

#### ***Revenues***

Revenues increased \$5.4 million, or 4.1%, to \$138.3 million in fiscal year 2015, which included an additional 53<sup>rd</sup> week ended on January 3, 2016, from \$132.9 million in fiscal year 2014. The overall increase in revenues resulted primarily from same store sales increases on existing water locations offset slightly by the impact of closed locations, increased ice sales as a result of volume from the increased number of locations, and the 53<sup>rd</sup> week in fiscal year 2015, which contributed approximately \$2.0 million in additional revenue. Same store sales increased 3.3% in fiscal year 2015 compared to fiscal year 2014 primarily resulting from price increases taken during fiscal years 2014 and 2015, along with the growth in gallons sold per location as locations continued to mature. Same store sales were \$118.2 million, or 85.5%, of \$138.3 million revenues generated in fiscal year 2015. The net number of machines in operation decreased by 398 during fiscal 2015 as a result of the removal of lower performing water locations and retail consolidation in the grocery industry.

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***Operating Expenses***

Operating expenses increased \$3.9 million, or 4.3%, to \$95.3 million in fiscal year 2015 from \$91.4 million in fiscal year 2014, resulting primarily from the retailer commissions paid on the \$5.4 million increase in revenues noted above and other increases in operating expenses primarily as a result of an increase in the variable cost impact of the 53<sup>rd</sup> week in fiscal year 2015, increases in labor and benefits and repair, maintenance and refurbishment costs, offset by lower fuel costs. As a percentage of revenues, operating expenses increased 10 basis points to 68.9% in fiscal year 2015 from 68.8% in fiscal year 2014.

***Depreciation and Amortization***

Depreciation and amortization decreased \$0.3 million, or 1.9%, to \$16.9 million in fiscal year 2015 from \$17.2 million in fiscal year 2014, as depreciation expense stayed consistent with the prior year and amortization expense decreased due to certain intangible assets associated with previous acquisitions being fully amortized. Depreciation and amortization as a percentage of revenues decreased 70 basis points to 12.2% in fiscal year 2015 from 12.9% in fiscal year 2014.

***Gross Profit***

Gross profit increased \$1.8 million, or 7.5%, to \$26.1 million in fiscal year 2015 from \$24.3 million in fiscal year 2014. As a percentage of revenues, gross profit margin increased 60 basis points to 18.9% in fiscal year 2015 from 18.3% in fiscal year 2014, as a result of the above factors.

***Selling, General and Administrative Expenses***

Selling, general and administrative expenses increased by \$0.1 million, or 0.3%, to \$18.9 million in fiscal year 2015 from \$18.8 million in fiscal year 2014, primarily as a result of an increase in the variable cost impact of the 53<sup>rd</sup> week in fiscal year 2015 and increases in labor and benefits and rent expense, offset by a reduction in incentive compensation expense and lower non-cash stock compensation expense. As a percentage of revenues, selling, general and administrative expenses decreased 50 basis points to 13.7% in fiscal year 2015 from 14.2% in fiscal year 2014.

*Other Expenses*

Other expense increased by \$0.5 million, or 27.5%, to \$2.4 million for fiscal year 2015 from \$1.9 million for fiscal year 2014. The increase was attributable to the contingent liability adjustment made in 2015 for the final payment associated to the asset acquisition in 2012.

Interest expense increased by \$0.4 million, or 3.7%, to \$11.2 million in fiscal year 2015 from \$10.8 million in fiscal year 2014. The increase was attributable to an increase in borrowing under the revolving credit facility and an increase in the average combined interest rate paid from 4.2% to 4.4%.

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***Net Loss***

Net loss decreased \$1.0 million, or 12.4%, to a net loss of \$6.6 million in fiscal year 2015 from a net loss of \$7.6 million in fiscal year 2014 due to the factors discussed above.

Net loss attributable to noncontrolling interest decreased \$0.1 million, or 12.8%, to \$0.4 million of the net loss for fiscal year 2015 from \$0.5 million of the net loss for fiscal year 2014.

**Comparison of Fiscal Year 2014 to Fiscal Year 2013**

***Revenues***

Revenues increased \$7.9 million, or 6.3%, to \$132.9 million in fiscal year 2014 from \$125.0 million in fiscal year 2013. The overall increase in revenues resulted from an increase in same store sales growth across existing water locations and increased ice sales as a result of volume from the increased number of locations. Same store sales increased 5.5% in fiscal 2014 compared to fiscal year 2013 primarily resulting from price increases taken during early fiscal year 2014 along with the growth in gallons sold per location as locations continued to mature. Same store sales were \$115.9 million, or 87.2% of \$132.9 million revenues generated in fiscal year 2014. The net number of machines in operation decreased by 319 during fiscal 2014 as a result of the removal of lower performing water locations and the removal of discontinued coin ice machines.

***Operating Expenses***

Operating expenses increased \$5.6 million, or 6.5%, to \$91.4 million in fiscal year 2014 from \$85.8 million in fiscal year 2013. The increase resulted primarily from the retailer commissions paid on the \$7.9 million increase in revenues noted above and increases in other operating expenses primarily as a result of labor, benefit and fleet expenses from staff additions to support growth. As a percentage of revenues, operating expenses increased 10 basis points to 68.8% in fiscal year 2014 from 68.7% in fiscal year 2013.

### ***Depreciation and Amortization***

Depreciation and amortization decreased by \$0.9 million, or 4.7%, to \$17.2 million in fiscal year 2014 from \$18.1 million in fiscal year 2013, as a result of increased depreciation from new capital expenditures and increased amortization from intangible assets from the asset acquisition at the end of fiscal year 2013, offset by the reduction from the one-time impairment charge in 2013 of \$1.5 million associated to discontinued coin ice machines. As a percentage of revenues, depreciation and amortization decreased 160 basis points to 12.9% for fiscal year 2014 as compared to 14.5% in fiscal year 2013.

### ***Gross Profit***

Gross profit increased \$3.2 million, or 15.2%, to \$24.3 million in fiscal year 2014 from \$21.1 million in fiscal year 2013. As a percentage of revenues, gross profit margin increased 140 basis points to 18.3% in fiscal year 2014 from 16.9% in fiscal year 2013, as a result of the above factors.

### ***Selling, General and Administrative Expenses***

Selling, general and administrative expenses increased \$0.5 million, or 3.1%, to \$18.8 million in fiscal year 2014 from \$18.3 million in fiscal year 2013. This increase was primarily the result of an increase in incentive compensation expense and increases in healthcare costs. As a percentage of revenues, selling, general and administrative expenses decreased 40 basis points to 14.2% in fiscal year 2014 from 14.6% in fiscal year 2013.

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***Other Expenses***

Other expense increased by \$0.4 million, or 24.8%, to \$1.9 million in fiscal year 2014 from \$1.5 million for fiscal year 2013. The increase was attributable to additional preferred return expense incurred in fiscal 2014 for noncontrolling interests investments received during fiscal year 2013.

Interest expense increased by \$0.1 million, or 0.7%, to \$10.8 million in fiscal year 2014 from \$10.7 million in fiscal year 2013, which was attributable to increased borrowing under the revolving credit facility at an average combined interest rate paid in fiscal year 2014 and fiscal year 2013 of 4.2%.

***Net Loss***

Net loss decreased by \$2.2 million, or 22.5%, to a net loss of \$7.6 million in fiscal year 2014 from a net loss of \$9.8 million in fiscal year 2013 due to the factors discussed above.

Net loss attributable to noncontrolling interest increased \$0.1 million, or 17.6%, to \$0.5 million of the net loss for fiscal year 2014 from \$0.4 million of the net loss for fiscal year 2013.

**Critical Accounting Policies**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Glacier bases these estimates and assumptions, which it believes to be valid and reasonable under the circumstances, upon historical experience, projected information, and existing, known circumstances. On an ongoing basis, Glacier evaluates its estimates, including those related to revenue recognition, allowance for doubtful accounts, repair parts, valuation of goodwill, depreciable useful lives, valuation of long-lived assets and income taxes. Actual results could differ from these estimates. Specifically, management must make estimates in the following areas:

***Revenue Recognition***

Glacier recognizes revenues from the sale of its vended water and ice products at the point of purchase, which occurs when the customer pays for the product. As it is impractical to visit all machines at the end of each reporting period, Glacier estimates its revenue from the last time each machine was serviced until the end of the reporting period, based on the most current daily volume of each machine. For the years ended December 29, 2013, December 28, 2014 and January 3, 2016, and the nine months ended October 2, 2016, Glacier recorded approximately \$3.5 million, \$3.8 million, \$4.0 million and \$4.3 million, respectively, of such estimated revenues, which for each period represents an average of approximately 12 days per machine.



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***Allowance for Doubtful Accounts***

Glacier records accounts receivable for revenues generated by non-coin water and ice machines. Such revenues are collected by the retailers and remitted to Glacier. Glacier provides a reserve against receivables for estimated losses that may result from a retailer's inability to pay. Glacier determines the amount of the reserve by analyzing uncollected accounts, aged receivables, historical losses and the retailer's creditworthiness. Amounts later determined and specifically identified to be uncollectible are charged or written off against this reserve. Accounts receivable totaled \$4.3 million and the allowance for doubtful accounts was \$64,000 at October 2, 2016. This allowance is consistent with Glacier's historical amounts reserved.

***Repair Parts***

Repair parts are stated at cost (moving weighted average) and represent machine parts used to maintain machines in operation. Management reviews repair parts on a regular basis for excess, obsolete and impaired items based on estimated future usage. The likelihood of any material write-down is dependent on future machine repairs or new machine developments. Historically, Glacier has not experienced material write-offs in repair parts due to its ability to use these parts in a variety of its machine models. Repair parts were valued at \$5.2 million at October 2, 2016.

***Valuation of Goodwill***

In accordance with accounting guidance on goodwill, Glacier tests its goodwill for impairment at the reporting unit level, which is an operating segment or one level below an operating segment. Glacier has determined that it has one reporting unit and performs an annual impairment analysis to assess the recoverability of goodwill on the last day of each fiscal year. Goodwill is considered to be impaired if it is determined that its carrying value exceeds its fair value. In addition to the annual impairment analysis, an interim analysis is required if an event occurs or circumstances change that would more likely than not reduce the fair value below its carrying value. Assessing the impairment of goodwill requires Glacier to make assumptions and judgments regarding the fair value of its net assets. Glacier estimates fair value using estimates of future cash flows, discount rates, growth rates, and other assumptions. Glacier has completed its annual evaluation for the impairment of goodwill as of January 3, 2016 and has determined that no impairment existed as of that date. Glacier's reporting unit was not at risk of failing step one of the goodwill impairment test as the fair value was substantially in excess of the carrying value. The net book value of goodwill totaled \$18.7 million as of October 2, 2016.

*Depreciable Useful Lives*

Glacier owns all of the vending machines it operates. Property and equipment is recorded at cost and is depreciated using the straight-line method over the estimated useful lives of the asset. Vending equipment is estimated to have a useful life of 5 to 13 years and is generally depreciated to a 10% salvage value. Glacier continually assesses the useful lives of its vending equipment and other property and equipment for appropriateness. The salvage value is an estimate of the replacement value of the components expected to be recovered upon disposal of the machine. Costs associated with installing vending equipment are capitalized and depreciated over five years. Other equipment, furniture and fixtures have an estimated useful life of three to ten years. Leasehold improvements are given an estimated useful life of the shorter of its estimated life or the term of the lease. All maintenance, repair and refurbishment costs are charged to operations as incurred. Additions and major improvements are capitalized.

Table Of Contents***Valuation of Long-Lived Assets***

Included in Glacier's long-lived assets are property and equipment and definite-lived intangible assets. Long-lived assets are reviewed for impairment when events or circumstances indicate that the carrying amount of an asset may not be recoverable. Factors that would indicate potential impairment may include, but are not limited to, significant decreases in the market value of the long-lived asset, a significant change in the long-lived assets' physical condition, and operating or cash flow losses associated with the use of the long-lived asset. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future net cash flows, undiscounted and without interest, expected to be generated by the asset. An impairment loss would be recognized when the carrying amount of a long-lived asset or asset group is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset or asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group. Based on their similar characteristics and interchangeability at various locations, Glacier evaluates its machines for impairment at the group level. In the fiscal years ended December 29, 2013, December 28, 2014, and January 3, 2016, and during the nine months ended October 2, 2016, there has been no impairment of long-lived assets recorded. At October 2, 2016, the net book value of identifiable intangible assets that are subject to amortization totaled \$3.3 million and the net book value of property and equipment totaled \$61.5 million. Significant judgments and estimates by management are required to project cash flows and, if required, estimate the fair value of the long-lived assets. The estimated future cash flows are based upon, among other things, Glacier's strategic plans with regard to its business and operations; assumptions about expected future operating performance and the interpretation of current and future economic indicators. To the extent that the judgments used by Glacier to calculate its future cash flows prove to be inaccurate or there are significant changes in market conditions, it is possible that Glacier's conclusions regarding long-lived asset impairment could change.

***Valuation of Deferred Income Taxes***

As of October 2, 2016, Glacier had federal and California net operating loss carryforwards of \$77.9 million and \$14.2 million, respectively, which will begin to expire in 2020 and 2016 respectively. In addition, Glacier has federal excess tax benefit carryovers of \$10.2 million related to stock option deduction windfalls that can only be realized in additional paid-in capital to the extent they are used to reduce taxes paid. The alternative minimum tax credit does not have an expiration date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount more likely than not to be realized. The ability to utilize these assets depends on future taxable income, Glacier's ability to deduct tax loss carryforwards against future taxable income, the effectiveness of Glacier's tax planning strategies among the various tax jurisdictions in which it operates and any significant changes in the tax treatment received on its business combinations. Glacier believes it is not more likely than not that its deferred tax assets will be realized and, therefore, Glacier has recorded a valuation allowance on its net deferred tax assets as of October 2, 2016.

In the event that Glacier was to determine that it is able to realize any of its deferred tax assets in the future, an adjustment to the valuation allowance would increase net income in the period such determination was made. Glacier believes that the most significant uncertainty that will impact the determination of its valuation allowance will be its estimation of the extent and timing of future net income, if any. To the extent available, Glacier intends to use any net operating loss carryforwards to reduce the federal and state income tax liabilities associated with its operations. However, if Glacier does not achieve profitability prior to their expiration, it will not be able to fully utilize its net operating losses to offset income. Section 382 of the Internal Revenue Code of 1986, as amended, generally imposes an annual limitation on the amount of net operating loss carryforwards that may be used to offset taxable income when a corporation has undergone certain changes in stock ownership. Glacier's ability to utilize net operating loss carryforwards may be limited, under this section or otherwise, by the issuance of common stock in this offering or by changes in stock ownership occurring prior to or following this offering. Glacier has not completed an analysis of the effects of this offering or any such changes in stock ownership. To the extent its use of net operating loss carryforwards is significantly limited, its income could be subject to U.S. corporate income tax earlier than it would if Glacier was able to use net operating loss carryforwards, which could result in lower profits.

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**Seasonality and Quarterly Results**

Historically, Glacier has recognized a somewhat larger share of its revenues in the second and third quarters of the year, driven by increased sales volume in the warm, dry summer months. Its revenues may be impacted by the effect of the weather. Specifically, in periods when the weather is warmer or there is less precipitation than usual, its revenues would likely increase, and in periods when the weather is colder or there is higher precipitation, its revenues would likely decline.

Glacier's operating expenses and, therefore, its overall margins are also seasonally impacted; consequently, its overall operating income typically is higher in the second and third quarter and lower in the first and fourth quarters.

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The following table sets forth Glacier's historical unaudited quarterly results of operations for its six most recent fiscal quarters. This information has been prepared on the same basis as its annual audited financial statements contained herein and includes all adjustments, consisting only of normal recurring adjustments that Glacier considered necessary for a fair presentation of such periods.

**Fiscal  
Year  
2016**