

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

FORM 10-K/A
Amendment No. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

Commission File Number 001-36729



Freshpet, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

400 Plaza Drive, 1st Floor
Secaucus, New Jersey
(Address of Principal Executive Offices)

20-1884894
(I.R.S. Employer Identification No.)

07094
(Zip Code)

(201) 520-4000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of exchange on which registered

Common Stock, \$0.001 par value per share

NASDAQ Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-Accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on The NASDAQ Stock Market on June 30, 2018, was approximately \$721 million.

The number of shares of Registrant's Common Stock outstanding as of April 23, 2019 was 35,868,597.

Documents Incorporated by Reference

None.

EXPLANATORY NOTE

Freshpet, Inc. (“Freshpet,” the “Company,” “we,” “our” or “us”) is filing this Amendment No. 1 on Form 10-K/A (this “Amendment”) to amend the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018, originally filed with the Securities and Exchange Commission (the “SEC”) on February 28, 2019 (the “2018 10-K”), to include the information required by Items 10 through 14 of Part III of Form 10-K. This information was previously omitted from the 2018 10-K in reliance on General Instruction G(3) to Form 10-K, which permits the information in the above referenced items to be incorporated in the Form 10-K by reference from the Company’s definitive proxy statement if such statement is filed no later than 120 days after the Company’s fiscal year-end. We are filing this Amendment to provide the information required in Part III of Form 10-K because a definitive proxy statement containing such information will not be filed by the Company within 120 days after the end of the fiscal year covered by the 2018 10-K.

This Amendment amends and restates in their entirety Items 10, 11, 12, 13 and 14 of Part III of the 2018 10-K and the exhibit index set forth in Part IV of the 2018 10-K and includes certain exhibits as noted thereon. The cover page of the 2018 10-K is also amended to delete the reference to the incorporation by reference of the Company’s definitive proxy statement.

Except as described above, no other changes have been made to the 2018 10-K, and this Amendment does not modify, amend or update in any way any of the financial or other information contained in the 2018 10-K. This Amendment does not reflect events occurring after the date of the filing of our 2018 10-K. Accordingly, this Amendment should be read in conjunction with our 2018 10-K and with our filings with the SEC subsequent to the filing of our 2018 10-K.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), this Form 10-K/A also contains certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, which are attached hereto. Because no financial statements have been included in this Amendment and this Amendment does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted. Terms used but not defined herein are as defined in our 2018 10-K.

Freshpet, Inc.
Amendment No. 1 on Form 10-K/A

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Set forth below is the name, age (as of April 2, 2019), position and a description of the business experience of each of our executive officers and directors:

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Charles A. Norris	73	Chairman of the Board and Director
William B. Cyr	56	Director and Chief Executive Officer
J. David Basto	46	Director
Daryl G. Brewster	62	Director
Lawrence S. Coben	60	Director
Walter N. George III	62	Director
Robert C. King	60	Director
Jonathan S. Marlow	39	Director
Craig D. Steeneck	61	Director
Leta D. Priest	59	Director
Jacki S. Kelley	52	Director
Scott Morris	50	President and Chief Operating Officer
Richard Kassar	72	Chief Financial Officer
Stephen Weise	59	Executive Vice President of Manufacturing and Supply Chain
Stephen Macchiaverna	61	Senior Vice President, Controller and Secretary
Cathal Walsh	47	Senior Vice President, Cooler Operations

Background of Directors and Executive Officers

Chairman of the Board and Director—Charles A. Norris has been a member of our Board of Directors and Chairman of the Board since October 2006. Mr. Norris serves as a member of the board of directors of Primo Water and previously served as the Chairman of Glacier Water Services Inc. from 2001 to 2016. He was previously a member of the board of directors of Advanced Engineering Management and MP Holdco LLC, and was Chairman of the Board of Day Runner from September 2001 to November 2003, when it was sold. Mr. Norris is the retired President of McKesson Water Products Company, a bottled water company and division of McKesson Corporation, where he served as President from 1990 until he retired in October 2000. From 1981 through 1989, Mr. Norris served as President of Deer Park Spring Water Company, which was a division of Nestle USA, and then led an investor group that acquired the business in 1985 until it was sold to Clorox in 1987. Mr. Norris remained with Clorox through 1989 following their acquisition of Deer Park. From 1973 to 1985, Mr. Norris served in various operational executive positions with Nestle in both Switzerland and the United States. Mr. Norris provides the Board of Directors with extensive corporate leadership experience as well as a deep understanding of our business.

Director and Chief Executive Officer—William B. Cyr has been a member of our Board of Directors and our Chief Executive Officer since September 2016. Before assuming his role at Freshpet, Mr. Cyr, served as President and Chief Executive Officer of Sunny Delight Beverages Co. (“SDBC”) from August 2004 to February 2016. Prior to joining SDBC, Mr. Cyr spent 19 years at Procter & Gamble, where he ultimately served as the Vice President and General Manager of the North American Juice Business and Global Nutritional Beverages. Mr. Cyr serves as a Board and Executive Committee Member of the Grocery Manufacturers Association, a position he has held since 2002. Additionally, during his time as President and Chief Executive Officer of SDBC he was a member of the Board of Directors of American Beverage Association from 2007 until 2016 and on the Executive Committee from 2012 to 2016. Mr. Cyr holds an A.B. from Princeton University. Mr. Cyr provides the Board of Directors with knowledge of the daily affairs of the Company, expertise in the consumer products industry and extensive experience in corporate leadership.

Director—J. David Basto has been a member of our Board of Directors since December 2010. Mr. Basto is a Managing Director of The Carlyle Group, which he joined in 2015. Prior to joining The Carlyle Group, Mr. Basto was Founding Partner of Broad Sky Partners, from its formation in 2013 to 2015. Prior to co-founding Broad Sky Partners, Mr. Basto worked for MidOcean Partners from its inception in 2003 through 2013, most recently as Managing Director and co-head of MidOcean Partner’s consumer sector investing team. Prior to MidOcean Partners, Mr. Basto worked for DB Capital Partners and its predecessor BT Capital Partners from 1998 through 2003. Previously, Mr. Basto held positions with Juno Partners and Tucker Anthony Inc. Mr. Basto currently serves on the board of directors of the parent entities of Weiman Products, Apex Parks Group and Artic Glacier, Inc. Mr. Basto provides the Board of Directors with expertise in analyzing financial issues and insights into the consumer sector.

Director—Daryl G. Brewster has been a member of our Board of Directors since January 2011. Since 2013, Mr. Brewster has served as the Chief Executive Officer of CECF, a coalition of chief executive officers from over 200 large cap companies focused on driving sustainable business and connecting chief executive officers and leading investors. Since 2008, Mr. Brewster has also been the founder and chief executive officer of Brookside Management, LLC, a boutique consulting firm that provides C-level consulting and support to consumer companies and service providers to the industry. Between 2009 and 2013, Mr. Brewster was a Management Advisor to MidOcean Partners. Prior to that, Mr. Brewster served as the Chief Executive Officer of Krispy Kreme Doughnuts, Inc. from March 2006 through January 2008. From 1996 to 2006, Mr. Brewster was a senior executive at Nabisco, Inc. and Kraft, Inc. (which acquired Nabisco in 2000), where he served in numerous senior executive roles, most recently as Group Vice President and President, Snacks, Biscuits and Cereal. Before joining Nabisco, Mr. Brewster served as Managing Director, Campbell’s Grocery Products Ltd.—UK; Vice-President, Campbell’s Global Strategy, and Business Director, Campbell’s U.S. Soup. Mr. Brewster serves on the board of MP Holdco LLC and the boards of several middle-market growth companies, and previously served on the board of E*Trade Financial Services, Inc. Mr. Brewster provides the Board of Directors with experience in corporate leadership, public company operations, and an understanding of the pet and consumer packaged goods industries.

Director—Lawrence S. Coben, Ph.D. has been a member of our Board of Directors since November 2014. Dr. Coben has served as Chairman of the Board of NRG Energy since February 2017, and has been a director of NRG since December 2003. He was Chairman and Chief Executive Officer of Tremis Energy Corporation LLC from 2003 to December 2017. Dr. Coben was Chairman and Chief Executive Officer of Tremis Energy Acquisition Corporation II, a publicly held company, from July 2007 through March 2009 and of Tremis Energy Acquisition Corporation from February 2004 to May 2006. From January 2001 to January 2004, he was a Senior Principal of Sunrise Capital Partners L.P., a private equity firm. From 1997 to January 2001, Dr. Coben was an independent consultant. From 1994 to 1996, Dr. Coben was Chief Executive Officer of Bolivian Power Company. Dr. Coben served on the advisory board of Morgan Stanley Infrastructure II, L.P. from September 2014 through December 2016. Dr. Coben is also Executive Director of the Sustainable Preservation Initiative and a Consulting Scholar at the University of Pennsylvania Museum of Archaeology and Anthropology. Dr. Coben provides the Board of Directors with significant managerial, strategic, and financial expertise, particularly as it relates to company financings, transactions and development initiatives.

Director—Walter N. George III has been a member of our Board of Directors since November 2014. Mr. George is the President of G3 Consulting, LLC, a boutique advisory firm specializing in value creation in small and mid-market consumer products companies, a company he founded in 2013. Mr. George served as President of the American Italian Pasta Company and Corporate Vice President of Ralcorp Holdings from 2010 until its sale to ConAgra Foods in 2013. Mr. George served as Chief Operating Officer at American Italian Pasta Company from 2008 to 2010. From 2001 to 2008, Mr. George served in other executive roles with American Italian Pasta Company, including Senior Vice President—Supply Chain and Logistics and Executive Vice President—Operations and Supply Chain. From 1988 through 2001, Mr. George held a number of senior operating positions with Hill’s Pet Nutrition, a subsidiary of Colgate Palmolive Company, most recently as Vice President of Supply Chain. Mr. George is President and serves on the board of Old World Spice and Seasoning Company, and serves on the board of directors of Vision Bank. Mr. George provides the Board of Directors with operations expertise, consumer products and pet food industry expertise and public company experience.

Director—Jacki S. Kelley has been a member of our Board of Directors since January 2019. Ms. Kelley has over 25 years of executive and senior leadership experience in the media and digital industries. She currently serves as President and Chief Client Officer at Dentsu, Inc., a role she has held since April 2019. Prior to her current role,

Ms. Kelley spent five years at Bloomberg, first joining as Chief Operating Officer of Bloomberg Media in 2014 and then moving to Bloomberg LP in 2017 after being appointed Deputy Chief Operating Officer. Before joining Bloomberg, Ms. Kelley was the CEO, North America, and President of Global Clients for IPG Mediabrands as well as Global CEO, Universal McCann. She was also a Vice President, Worldwide Strategy & Solutions, at Yahoo! and worked with USA Today for 18 years, leaving the company as a Senior Vice President. Ms. Kelley also serves on the board of directors of Comic Relief USA.

Director—Robert C. King has been a member of our Board of Directors since November 2014. Mr. King served as the Chief Executive Officer of Cytosport, Inc., a sports nutrition company and maker of Muscle Milk, from July 2013 to August 2014. Prior to joining Cytosport, Mr. King was an advisor to TSG Consumer Partners, a mid-market private equity firm specializing in consumer-packaged goods companies, from March 2011 to July 2013. Mr. King spent 21 years in the North America Pepsi system, from 1989 to 2010, including serving as Executive Vice President and President of North America for Pepsi Bottling Group from 2008 to his retirement in 2010, President of North America for Pepsi Bottling Group from 2006 to 2008, President of Field Bottling from 2005 to 2006 and Senior Vice President and General Manager for the Mid-Atlantic Business Unit from 2002 to 2005. Before joining the North America Pepsi system, Mr. King worked in various sales and marketing positions with E&J Gallo Winery from 1984 to 1989, most recently as Western Region Sales Manager, and with Procter & Gamble from 1980 to 1984, most recently as Unit Manager. Mr. King currently serves on the board of directors of Arctic Glacier, One Madison Corp and EXAL Corporation and is non-executive chairman of the board of Gehl Foods. Mr. King previously served as a board member and advisor to Cytosport, Island Oasis Frozen Cocktail Co., Inc. and Neurobrands, LLC. Mr. King provides the Board of Directors with corporate leadership, public company experience, operations expertise and more than 30 years of consumer-packaged goods experience.

Director—Jonathan S. Marlow has been a member of our Board of Directors since December 2010. Mr. Marlow is a Managing Director at MidOcean Partners, and has been with the firm since 2009, where he has focused on investments within the consumer sector. Prior to MidOcean Partners, Mr. Marlow worked for Investcorp International Inc. in the private equity group from 2006 through 2008. Previously, Mr. Marlow held positions at J.F. Lehman & Company and Bear, Stearns & Co. Inc. Mr. Marlow currently serves on the board of directors of Image Skincare, Hunter Fan, Florida Food Products and BH Cosmetics. Mr. Marlow provides the Board of Directors with expertise in investment strategies and insight into the consumer sector.

Director—Leta D. Priest has been a member of our Board of Directors since September 2018. Ms. Priest has over 30 years of executive and senior leadership experience in the retail and consumer packaged goods industries. She was a key leader in food for Walmart from May 2003 to November 2015 during Walmart's expansion of grocery, including having served as Senior Vice President and General Merchandising Manager, Fresh Food from 2009 to 2015. Ms. Priest also served as Senior Vice President, General Merchandising Manager in other key areas of food for Walmart from January 2007 through 2015. She began her career with Walmart as Vice President of Food Development. She joined Walmart from Safeway, where she served as Vice President Corporate Brands, North America from January 1998 to April 2003. Prior to her time at Safeway, Ms. Priest had 11 years of consumer products experience in senior leadership roles across brand management and product development with The Torbitt & Castleman Company and Dole Food Company. Since April 2018, Ms. Priest has served as a director on the board of Milo's Tea Company. In 2017, she completed seven years of service as a director on the Board of Feeding America and she currently serves as a director on the board for the National Council on Aging.

Director—Craig D. Steeneck has been a member of our Board of Directors since November 2014. Mr. Steeneck served as the Executive Vice President and Chief Financial Officer of Pinnacle Foods Inc. from July 2007 to January 2019, where he oversaw the company's financial operations, treasury, tax, investor relations and corporate development and information technology. From June 2005 to July 2007, Mr. Steeneck served as Executive Vice President, Supply Chain Finance and IT of Pinnacle Foods, helping to redesign the supply chain to generate savings and improved financial performance. Pinnacle Foods was acquired by Conagra Brands in October 2018. From April 2003 to June 2005, Mr. Steeneck served as Executive Vice President, Chief Financial Officer and Chief Administrative Officer of Cendant Timeshare Resort Group (now Wyndham Worldwide Corporation), playing key roles in wide-scale organization of internal processes and staff management. From March 2001 to April 2003, Mr. Steeneck served as Executive Vice President and Chief Financial Officer of Resorts Condominiums International, a subsidiary of Cendant Timeshare Resort Group (now Wyndham Worldwide Corporation). From October 1999 to

February 2001, he was the Chief Financial Officer of International Home Foods Inc. Mr. Steeneck has served as a board member and Chairman of the Audit Committee of Hostess Brands, Inc. since November 2016 and as lead independent director since January 2019. Mr. Steeneck has served as a board member of Collier Creek Holdings since November 2018, where he is Chairman of the Audit Committee and member of the Compensation Committee. Mr. Steeneck provides the Board of Directors with extensive management experience in the consumer-packaged goods industry as well as accounting and financial expertise.

President, Chief Operating Officer & Co-Founder—Scott Morris is a co-founder of Freshpet and has served as our Chief Operating Officer since July 2015 and President since March 2016. Mr. Morris served as our Chief Marketing Officer from January 2014 to July 2015 and Senior Vice President of Sales and Marketing from 2010 to 2013. Mr. Morris is involved in all aspects of Company development and day-to-day operations. Prior to joining Freshpet, Mr. Morris was Vice President of Marketing at The Meow Mix Company from 2002 to 2006. Previously, Mr. Morris worked at Ralston Purina from 1990 to 2002, holding various leadership positions in Sales and Marketing, most recently Pet Food Group Director. Mr. Morris also works as an advisor and investor in several small startup consumer packaged goods companies with strong social missions and a focus to improve food and the world.

Chief Financial Officer—Richard Kassar has served as Chief Financial Officer since January 2011. He previously served as our Chief Executive Officer from July 2006 to January 2011 and as President from January 2011 to June 2014. Mr. Kassar has acted as our principal financial and accounting officer since 2006. Prior to joining Freshpet, he was Senior Vice President and Chief Financial Officer of The Meow Mix Company until its sale to Del Monte Foods in 2006. From 1999 to 2001, he served as Co-President and Chief Financial Officer of Global Household Brands. From 1986 to 1999, Mr. Kassar was employed by Chock Full O' Nuts in various positions and most recently served as Senior Vice President, Chief Operating Officer and Corporate Controller. Mr. Kassar has been a director of World Fuel Services Corporation since 2002. Mr. Kassar has over 30 years' experience in the consumer brands industry.

EVP Manufacturing and Supply Chain—Stephen Weise joined Freshpet in July of 2015 as the EVP of Manufacturing and Supply Chain. Mr. Weise has over 25 years of experience in the manufacturing and distribution of consumer products. Prior to joining Freshpet, from June 2013 to July 2015, Mr. Weise was an Account Manager at TBM Consulting, a consulting firm that specialized in operational excellence and lean manufacturing. From 2003 to February 2013, Mr. Weise held the role of COO at the Arthur Wells Group, a 3PL specializing in consumer products and temperature-controlled distribution. Prior to that, from 2002 to 2003, he served as the SVP of Operations for the B. Manischewitz Company, a specialty food manufacturer. From 2000 to 2002, he served as Chief Operating Officer at the Eight in One Pet Products Company, from 1995 to 2000 as VP of Manufacturing at Chock Full O' Nuts, and from 1986 to 1995 in various positions at Kraft Foods.

SVP, Controller & Secretary—Stephen Macchiaverna has served as Senior Vice President, Controller and Secretary since October 2006. Prior to joining Freshpet, Mr. Macchiaverna was the Controller for The Meow Mix Company from its inception in 2002 through its sale and transition to Del Monte Foods in 2006. From 1999 to 2001, he was the Vice President of Finance and Treasurer of Virgin Drinks USA, Inc. Mr. Macchiaverna began his consumer-packaged goods career with First Brands Corporation, where he worked from 1986 to 1999, most recently as Divisional Controller for all domestic subsidiaries. He has over 30 years' experience in consumer-packaged goods financial management.

SVP Cooler Operations & Co-Founder—Cathal Walsh is a co-founder of Freshpet and has served as Senior Vice President of Cooler Operations since January 2011 and previously served as our Chief Operating Officer from October 2006 to January 2011. Prior to joining Freshpet, Mr. Walsh was Zone Marketing Manager at Nestlé Worldwide from 2000 to 2005 and was Marketing Manager at Nestlé Pet Care from 1996 to 2000. Mr. Walsh has over 20 years' experience in packaged goods marketing, sales and management, including in international food markets.

Family Relationships

There are no family relationships among any of our directors and executive officers.

Corporate Governance and Board Structure

In accordance with our Certificate of Incorporation and Bylaws, our Board of Directors consists of 11 members and is divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. The authorized number of directors may be changed by resolution of the Board of Directors. Vacancies on the Board of Directors can be filled by resolution of the Board of Directors. Mr. Norris serves as the Chairman of our Board of Directors. We believe that each of the members of our Board of Directors except Mr. Cyr is independent consistent with the Nasdaq rules. Mr. Brewster, Mr. King and Ms. Kelley are the Class I directors and their terms will expire in 2021. Mr. Harned, who was a Class I director, resigned from the Board of Directors on December 4, 2018. Mr. Basto, Mr. George, Mr. Steeneck and Mr. Coben are the Class II directors and their terms will expire in 2019. Mr. Norris, Mr. Marlow, Ms. Priest and Mr. Cyr are the Class III directors and their terms will expire in 2020. The division of our Board of Directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Mr. Marlow serves as a managing director of MidOcean Partners. See “Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters—Security Ownership of Certain Beneficial Owners and Management” and “Item 13. Certain Relationships and Related Transactions, and Director Independence—Certain Relationships and Related Party Transactions—Stockholders Agreement.”

Board Committees

Our Board of Directors has three standing committees: an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation Committee. Each of the committees reports to the Board of Directors as they deem appropriate and as the Board of Directors may request. The composition, duties and responsibilities of these committees are set forth below. In the future, our Board of Directors may establish other committees, as it deems appropriate, to assist it with its responsibilities.

Audit Committee

The Audit Committee is responsible for, among other matters: (1) appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm; (2) discussing with our independent registered public accounting firm their independence from management; (3) reviewing with our independent registered public accounting firm the scope and results of their audit and the audit fee; (4) approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm, including taking into consideration whether the independent auditor’s provision of any non-audit services to us is compatible with maintaining the independent auditor’s independence; (5) overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual consolidated financial statements that we file with the SEC; (6) reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements; (7) establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters; (8) reviewing and approving related person transactions; (9) annually reviewing the Audit Committee charter and the committee’s performance; and (10) handling such other matters that are specifically delegated to the Audit Committee by our Board of Directors from time to time.

Our Audit Committee consists of Mr. Steeneck (chair), Mr. Basto and Mr. George. Our Board of Directors has affirmatively determined that Mr. Steeneck, Mr. Basto and Mr. George meet the definition of “independent directors” for purposes of serving on an Audit Committee under applicable SEC and Nasdaq rules. In addition, Mr. Steeneck qualifies as our “audit committee financial expert,” as such term is defined in Item 407 of Regulation S-K.

Our Board of Directors adopted a written charter for the Audit Committee, which is available on our corporate website at www.freshpet.com. Our website is not part of this report.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for developing and recommending to the Board of Directors criteria for identifying and evaluating candidates for directorships and making recommendations to the Board of Directors regarding candidates for election or reelection to the Board of Directors at each annual stockholders' meeting. In addition, the Nominating and Corporate Governance Committee is responsible for overseeing our corporate governance guidelines and reporting and making recommendations to the Board of Directors concerning corporate governance matters. The Nominating and Corporate Governance Committee is also responsible for making recommendations to the Board of Directors concerning the structure, composition and function of the Board of Directors and its committees.

Our Nominating and Corporate Governance Committee consists of Mr. Coben (chair), Mr. George, Ms. Kelley and Mr. King. Our Board of Directors has affirmatively determined that Mr. Coben, Mr. George, Ms. Kelley and Mr. King meet the definition of "independent directors" for purposes of serving on a Nominating and Corporate Governance Committee under applicable SEC and Nasdaq rules.

Our Board of Directors adopted a written charter for the Nominating and Corporate Governance Committee, which is available on our corporate website at www.freshpet.com. The information contained on our website does not constitute a part of this report.

Compensation Committee

The Compensation Committee is responsible for, among other matters: (1) reviewing key employee compensation goals, policies, plans and programs; (2) reviewing and approving the compensation of our directors, Chief Executive Officer and other executive officers; (3) reviewing and approving employment agreements and other similar arrangements between us and our executive officers; and (4) administering our stock plans and other incentive compensation plans. The Compensation Committee may delegate its responsibilities to a subcommittee formed by the Compensation Committee. The Compensation Committee, in its sole discretion, may also engage legal, accounting, or other consultants or experts, including compensation consultants, to assist in carrying out its responsibilities.

Our Compensation Committee consists of Mr. Marlow (chair), Mr. Brewster, Ms. Priest and Mr. King. Our Board of Directors has affirmatively determined that Mr. Marlow, Mr. Brewster, Ms. Priest and Mr. King meet the definition of "independent directors" for purposes of serving on a Compensation Committee under applicable SEC and Nasdaq rules.

Our Board of Directors adopted a written charter for the Compensation Committee, which is available on our corporate website at www.freshpet.com. The information contained on our website does not constitute a part of this report.

Risk Oversight

Our Board of Directors is responsible for overseeing our risk management process. The Board of Directors focuses on our general risk management strategy and the most significant risks facing us and ensures that appropriate risk mitigation strategies are implemented by management. The Board of Directors is also apprised of risk management matters in connection with its general oversight and approval of corporate matters and significant transactions.

Our Board of Directors does not have a standing risk management committee, but rather administers this oversight function directly through our Board of Directors as a whole, as well as through various standing committees of our Board of Directors that address risks inherent in their respective areas of oversight. In particular, our Board of Directors is responsible for monitoring and assessing strategic risk exposure, our Audit Committee is responsible for overseeing our major financial risk exposures and the steps our management has taken to monitor and control these exposures and our Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage unnecessary risk-taking. In addition, our Audit Committee oversees the performance of our internal audit function and considers and approves or disapproves any related-party transactions.

Our management is responsible for day-to-day risk management. This oversight includes identifying, evaluating and addressing potential risks that may exist at the enterprise, strategic, financial, operational, compliance and reporting levels.

Leadership Structure of the Board of Directors

The positions of Chairman of the Board and Chief Executive Officer are presently separated. We believe that separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing the Chairman of the Board to lead the Board of Directors in its fundamental role of providing advice to and independent oversight of management. Our Board of Directors recognizes the time, effort and energy that the Chief Executive Officer is required to devote to his position in the current business environment, as well as the commitment required to serve as our Chairman. While our Bylaws and corporate governance guidelines do not require that our Chairman and Chief Executive Officer positions be separate, our Board of Directors believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee is or has been an executive officer or employee of the Company, nor did they have any relationships requiring disclosure by the Company under Item 404 of Regulation S-K. None of our executive officers served as a director or a member of a compensation committee (or other committee serving an equivalent function) of any other entity, an executive officer of which served as one of our directors or a member of the Compensation Committee during 2018.

Code of Ethics

We adopted a written General Code of Ethics (“General Code”) which applies to all of our directors, officers and other employees, including our principal executive officer, principal financial officer and controller. In addition, we adopted a written Code of Ethics for Executive Officers and Principal Accounting Personnel (“Code of Ethics”) which applies to our principal executive officer, principal financial officer, controller and other designated members of our management. Copies of each code are available on our corporate website at www.freshpet.com. The information contained on our website does not constitute a part of this report. We will provide any person, without charge, upon request, a copy of our General Code or Code of Ethics. Such requests should be made in writing to the attention of our Corporate Secretary at the following address: Freshpet, Inc., 400 Plaza Drive, 1st Floor, Secaucus, New Jersey 07094.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company’s directors, executive officers and persons who beneficially own more than 10 percent of the Company’s common stock (collectively, “Reporting Persons”) to file with the SEC initial reports of ownership and changes in ownership of the Company’s common stock. Based solely on its review of the copies of such reports received or written representations from certain Reporting Persons that no other reports were required, the Company believes that during its fiscal year ended December 31, 2018 all filing requirements applicable to the Reporting Persons were timely met except (i) each of Messrs. Norris, Basto, Brewster, Coben, George, King, Steeneck and Harned and MidOcean (which received a grant for director services provided by Mr. Marlow) did not timely file a Form 4 in connection with a grant of common stock on March 30, 2018 as part of the Company’s director compensation program; (ii) Mr. Walsh did not timely file a Form 3 upon becoming a Section 16 officer on December 19, 2018; (iii) each of Messrs. Kassar, Weise and Macchiaverna did not timely file a Form 4 in connection with the grant of two tranches of options on March 30, 2018; (iv) each of Messrs. Morris, Kassar and Weise did not timely file a Form 4 in connection with the grant of options on February 20, 2018; and (v) Mr. Morris did not timely file a Form 4 in connection with the sale of shares on May 11, 2018, in each case due to administrative delays.

ITEM 11. EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS (CD&A)

Introduction

This CD&A describes the material elements of compensation awarded to, earned by, or paid to each of our named executive officers (or NEOs). This CD&A also describes Freshpet's philosophy behind and objectives for executive compensation, as well as the manner in which the Company awards, and our NEOs earn, such compensation. Finally, this CD&A is intended to supplement the data presented in the Summary Compensation Table and other compensation tables that follow the CD&A.

The following table lists our NEOs for 2018, which is the group consisting of each individual who served as our Chief Executive Officer or Chief Financial Officer during 2018, and our three other most highly compensated executive officers who were serving as executive officers on December 31, 2018.

Name	Principal Position
William B. Cyr	Chief Executive Officer
Scott Morris	President and Chief Operating Officer
Richard Kassar	Chief Financial Officer
Stephen L. Weise	Executive Vice President, Operations
Cathal Walsh	Senior Vice President, Cooler Operations

Compensation Philosophy and Objectives

Our philosophy is to align our executive compensation with the interests of our stockholders by basing our more fundamental compensation decisions on financial objectives that our Board of Directors (or Board) believes have a significant impact on long-term stockholder value. An important goal of our executive compensation program is to help ensure that we hire and retain talented and experienced executives who are motivated to achieve or exceed our short-term and long-term corporate goals. Our executive compensation program is designed to reinforce a strong pay-for-performance orientation and to serve the following purposes:

- to reward our NEOs for sustained financial and operating performance and strong leadership;
- to align our NEOs' interests with the interests of our stockholders; and
- to encourage our successful NEOs to remain with us for the long term.

Underpinning our compensation philosophy is the belief that Freshpet is a growth company with the potential to have a significant impact on the pet food industry. Achieving that potential should result in value creation for our stockholders. Thus, we believe that management's incentives, our annual goals, and our longer-term goals set by the Company's Compensation Committee (or Compensation Committee) and the Board should reflect that growth orientation.

Compensation Strategy

The Compensation Committee has numerous tools at its disposal to help Freshpet accomplish its short- and long-term performance goals. The Committee generally chooses to utilize those tools as follows in its administration and oversight of our executive compensation program.

Peer Group Selection

The Compensation Committee selects a peer group for compensation comparison purposes that includes a blend of comparably-sized companies in similar industries, including pet-related companies—our most likely sources of talent

to support our growth. But the Committee also deliberately adds companies experiencing significant growth to help ensure that our compensation practices are competitive with—and relevant to—the circumstances found in growth-oriented companies so that they contribute to the growth potential of Freshpet.

Significant Portion of Compensation as Equity

We award a significant portion of executive compensation as equity as we believe this is an effective way to help management focus on our long-term goals while also aligning stockholder and management interests. While we target total compensation (based on position) within the 50th to 75th percentile of our compensation peer group, a meaningful portion of that compensation consists of stock options, which awards have no value to the recipient unless our stock price rises. Additionally, supplemental awards within the broader organization are rarely paid in cash but instead consist of equity awards. Finally, in 2018 we decided to include all employees Company-wide in our equity compensation program, including hourly employees, in order to better foster an ownership mentality and drive long-term growth. For each grant, the vesting requirement is typically at least three years or tied to a specific, long-term achievement.

Long-Term Goal Setting

We set a four-year growth goal for management in 2016 and have issued significant equity awards to our most senior managers tied to that goal. For our CEO, Mr. Cyr, his 2016 award of stock options replaced subsequent annual awards in order to emphasize the importance of achieving our long-term growth goal. Messrs. Kassar, Morris, and Weise also received stock options with the same objectives in 2016 to help ensure alignment amongst our leadership team against the Company's long-term goals. Additionally, our COO, Mr. Morris, was granted a significant number of stock options in 2017 (replacing subsequent annual grants) to drive similar behavior. Further, the Board has continually reinforced to management its belief in driving long-term growth via annual goals that are set. The Board has encouraged management to make prudent, near-term investments—even at the expense of near-term earnings—to better drive long-term growth and to enable Freshpet to satisfy our overarching goal of long-term growth.

Encouraging Teamwork

We strongly believe that teamwork among our workforce is essential to help us achieve our long-term growth potential. Thus, all bonus-eligible employees—including our NEOs—are compensated using the same bonus formula. Each employee earns the same percentage of his or her target award each year, assuming there are no outstanding, individual performance issues. We believe that this creates an “all-for-one and one-for-all” mentality within Freshpet that allows individual employees to make the right choices for the Company without regard to their impact on the achievement of less important functional or personal goals. Additionally, Mr. Cyr, at his own recommendation, has chosen to forego salary increases and instead has reallocated those dollars within his leadership team to reinforce his commitment to our teams and to recognize the strong performance of his colleagues.

Incenting Sales Growth

We set what we believe to be aggressive net sales growth targets for management each year and our annual incentive plan formula places equal value—both weighting (50%) and economic value (\$ at risk)—on the achievement of those net sales growth targets versus profitability goals. This helps to ensure that our management seeks to drive sales growth in concert with profit growth.

Demanding Quality

We believe that no factor is more important to our long-term success than the quality of the products that we produce every day. As such, every manufacturing employee is incented each quarter for the achievement of a set of goals, many of which are either directly or indirectly connected to the production of outstanding pet foods that meet our high-quality standards. The Board also reviews the Company's performance against its quality targets regularly.

How Elements of Our Executive Compensation Program are Related to Each Other

The various components of our compensation program are related but distinct and are designed to emphasize “pay for performance,” with a significant portion of total compensation reflecting a risk aspect tied to our long-term and short-term financial and strategic goals. Our compensation philosophy is designed to foster entrepreneurship at all levels of the organization and is focused on employee value and retention by making long-term, equity-based incentive opportunities a substantial component of our executive compensation. The appropriate level for each compensation component is based in part, but not exclusively, on internal equity and consistency, experience, and responsibilities, and other relevant considerations such as rewarding extraordinary performance. The Compensation Committee has not adopted any formal or informal policies or guidelines for allocating compensation between long-term and currently paid out compensation, between cash and non-cash compensation, or among different forms of non-cash compensation.

2018 Compensation Program

Independent Compensation Consultant

In 2018, the Compensation Committee retained Korn Ferry Hay Group (or KFHG) to advise it on compensation practices for our top nine officers, including each NEO. Specifically, KFHG was engaged to review our compensation peer group and our compensation structure for our executive officers, develop and recommend targets for our executive compensation program by analyzing the compensation structures of our peer group companies and market trends, and provide advice to the Compensation Committee on our executive compensation structure and program based on KFHG’s analysis. KFHG was also engaged to separately review the compensation arrangements applicable to employees at the director level and above, and the non-employee, independent directors of the Board.

Peer Group

The Compensation Committee, in consultation with KFHG, considered several factors in selecting an industry-specific compensation peer group for our 2018 compensation program. Considerations generally included the following:

- Revenue between 0.4 and 2.5 times Freshpet’s revenue in 2017;
- Companies in the food, beverage, and pet products industries;
- Companies with similar location and geographical reach;
- Companies with similar span, scope, and vertical integration;
- Companies experiencing similar rates of growth;
- Companies with similar operating complexity; and
- Other publicly traded companies.

Based on the foregoing considerations, the Compensation Committee determined that our compensation peer group for 2018 would consist of the following entities:

John B. Sanfilippo & Son Inc.	Medifast Inc.	Primo Water Corp.
Simply Good Foods Company	E.L.F. Beauty, Inc.	Craft Brew Alliance Inc.
Omega Protein Corp.	Petmed Express Inc.	Bridgford Foods Corp.
Amplify Snack Brands	PetIQ Inc.	Natural Alternatives
Natures Sunshine Products, Inc.		

As noted above, we target the total compensation amount for each of our NEOs (based on position) within the 50th to 75th percentile of total compensation for similarly situated executives within our compensation peer group (bearing in mind that we pay a significant portion of our compensation in the form of long-term, performance-based equity awards). We believe that these targets will help us to achieve an important goal of our executive compensation program, which is to hire and retain talented and experienced executives who are motivated to achieve or exceed our short-term and long-term goals. We also believe that this compensation structure will help us to achieve our objectives of aligning our NEOs’ interests with the interests of our stockholders and encouraging our successful NEOs to remain with us for the long term.

Elements of Executive Compensation for 2018

We used three primary elements of compensation in our executive compensation program in 2018: base salary, annual incentive awards, and long-term equity compensation. Annual incentive awards and long-term equity compensation represent the performance-based elements of our compensation program. The performance goals tied to these compensation elements are flexible in application and can be tailored to meet our specific objectives. The amount of a specific individual's annual incentive award for a performance period is intended to reflect that individual's relative contribution to the Company in achieving or exceeding our annual goals, and the amount of an individual's long-term incentive compensation is intended to reflect the individual's expected contribution to the Company over longer performance periods.

Base Salary

We pay our NEOs a base salary based on the experience, skills, knowledge, and responsibilities required of each executive officer. We believe base salaries are an important element in our overall compensation program because base salaries provide a fixed element of compensation that reflects job responsibilities and value to us. None of our NEOs is currently party to any agreement or arrangement that provides for automatic or scheduled increases in base salary. Base salaries for our NEOs are determined by the Compensation Committee.

The following table sets forth each NEO's annual base salary rate for 2018:

Name	Annual Base Salary Rate
William B. Cyr	\$600,000
Scott Morris	\$400,000
Richard Kassar	\$302,500
Stephen L. Weise	\$270,000
Cathal Walsh	\$312,394

Annual Incentive Awards

The Board initially adopted our current annual incentive plan—in which our NEOs participate—in 2016. Awards under the plan, which are calculated as a percentage of base salary, are designed to motivate our employees to achieve our annual goals based on our strategic, financial, and operating performance objectives. For 2018, Messrs. Cyr, Morris, Kassar, Weise, and Walsh had the opportunity to earn annual target awards equal to 75%, 60%, 50%, 40%, and 35%, respectively, of their base salaries.

Our 2018 annual incentive program was based on the Company's operating performance, which was calculated 50% based on adjusted EBITDA and 50% based on net sales. Our 2018 targets were as follows: \$21 million of adjusted EBITDA; and \$187 million of net sales. On a pre-bonus basis, and after adjusting to exclude non-recurring governance costs that were outside of the NEOs' control (as determined by the Board), the Company delivered as follows: \$24.388 million of adjusted EBITDA and \$193.2 million of net sales. Adjusted EBITDA is not a financial measure prepared in accordance with U.S. generally accepted accounting principles (or GAAP). This metric is explained in more detail in the section "Non-GAAP Financial Measures" in "Item 7—Management's Discussion and Analysis of Financial Conditions and Results of Operations," where it is reconciled to the closest GAAP measure.

For 2018, based on the foregoing, we paid annual incentive awards to each NEO as follows:

Name	Amount of Award	% of Target Awarded
William B. Cyr	\$562,500	125%
Scott Morris	\$300,000	125%
Richard Kassar	\$189,063	125%
Stephen L. Weise	\$135,000	125%
Cathal Walsh	\$117,031	125%

Long-Term Equity Compensation

Although we do not have a formal policy covering the grant of equity compensation awards to our executive officers, we believe that equity compensation provides our executive officers with a strong link to our long-term performance, creates an ownership culture, and helps to align the interests of our executive officers and our stockholders. Further, we believe that stock options with a time-based vesting feature promote executive retention as they incent our executive officers to remain employed with us for the applicable vesting period. Accordingly, the Compensation Committee (or alternatively, the Board) periodically reviews the equity compensation of our NEOs and from time to time may grant awards as it deems appropriate.

Our 2014 Omnibus Incentive Plan, as amended (or 2014 Plan) was adopted by the Board in connection with our initial public offering and approved by our stockholders on October 2, 2014. Each of our NEOs is eligible to participate in our 2014 Plan. Our 2014 Plan allows for awards of tax-qualified incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, other stock-based awards, and other cash-based awards to our directors, officers, employees, consultants, and advisors.

The Compensation Committee (or alternatively, the Board) determines the size and vesting terms of all awards made under our 2014 Plan, and administers all other aspects of the plan. In 2018, the Committee took into account a number of factors when making awards under our 2014 Plan, including, among others, the eligible employee's expected contribution to the long-term success of the Company and information gathered by the Committee regarding compensation paid to similarly situated executives at companies in our compensation peer group.

In 2018, we granted certain NEOs stock options to purchase shares of our common stock under our 2014 Plan, 50% of which are scheduled to vest and become exercisable in equal installments on each of the first three anniversaries of the grant date and 50% of which are scheduled to vest and become exercisable annually on a sliding scale according to the achievement of adjusted EBITDA performance-based conditions (and in each case subject to the NEO's continued employment with us).

Other Compensation

In addition to base salary and annual and long-term performance-based compensation, our NEOs are also eligible for the following benefits on a similar basis as our other eligible employees:

- health, dental, and vision insurance;
- paid time off including vacation, personal holidays, and sick days;
- life insurance and supplemental life insurance; and
- short-term and long-term disability insurance.

Retirement Benefits

We maintain a 401(k) retirement savings plan (or 401(k) Plan) under which all of our employees (including our NEOs) are eligible to participate beginning on the first day of the month after their employment with us begins. The 401(k) Plan includes a deferral feature under which a participant may elect to defer his or her compensation by up to the statutorily prescribed IRS limits. Currently, we also match participant contributions to the 401(k) Plan up to 4% of the participant's annual eligible earnings. We believe that providing a vehicle for retirement savings through our 401(k) Plan, and making matching contributions, adds to the overall desirability of our executive compensation program and further incentivizes our NEOs in accordance with our compensation policies.

Other than the 401(k) Plan, we do not maintain any pension plans or non-qualified deferred compensation plans for the benefit of our employees or other service providers.

Employment Agreements with NEOs

The Company is party to an employment agreement with each of Messrs. Cyr, Morris, Kassar, Weise, and Walsh. Each agreement provides for an initial term of one year and for automatic one-year extensions beginning on the

expiration of the initial term. Any automatic extension may be cancelled upon at least ninety days' prior written notice from the respective NEO or the Company. Under their agreements, Messrs. Cyr, Morris, Kassar, Weise, and Walsh are entitled to receive minimum annual base salaries of \$600,000, \$400,000, \$302,500, \$312,394, and \$270,000, respectively, subject to annual review by the Board. Further, Messrs. Cyr, Morris, Kassar, Weise, and Walsh have the opportunity to earn annual target bonuses equal to at least 75%, 60%, 50%, 40%, and 35%, respectively, of their base salaries. Each executive is also entitled to participate in the Company's employee and fringe benefit plans as may be in effect from time to time on the same basis as other employees of the Company generally.

Employment Agreement with William Cyr

The Company entered into an employment agreement with Mr. Cyr on July 27, 2016. In the event of a termination of Mr. Cyr's employment by the Company without "cause," or by Mr. Cyr for "good reason" (each as defined in his employment agreement), he is generally eligible to receive, subject to his timely execution and non-revocation of a general release of claims against the Company: (i) an amount equal to (A) one and one-half times the sum of his (x) base salary and (y) target bonus for a period of eighteen months, payable in equal monthly installments in accordance with the Company's normal payroll practice, and (ii) Company payment of premiums (at active employee rates) for continuation of group health coverage for him and his eligible dependents for eighteen months.

Mr. Cyr's employment agreement contains a cutback provision for "parachute payments" under Internal Revenue Code (or Code) Section 280G, under which he may receive a cutback of certain change-in-control payments in order to avoid any excise tax or loss of deduction under Code Section 280G, if the cutback would result (after factoring any potential excise taxes under Section 280G) in a larger after-tax payment to Mr. Cyr.

Mr. Cyr's employment agreement contains the following restrictive covenants: (i) a non-compete covenant that prohibits him from competing against the Company for twenty-four months after employment, (ii) non-solicit covenants that prohibit him from actively soliciting the Company's employees, customers, or suppliers during employment and for twenty-four months after employment, and (iii) a perpetual confidentiality covenant that protects the Company's proprietary information, developments, and other intellectual property.

Employment Agreements with Scott Morris, Richard Kassar, Stephen Weise, and Cathal Walsh

The Company entered into employment agreements with Messrs. Morris, Kassar, and Walsh on October 31, 2014, and with Mr. Weise in July 2015. Under the agreements, in the event of a termination of the NEO by the Company without "cause," by the NEO for "good reason," or due to "permanent disability" (each as defined in the employment agreements), each NEO is generally eligible to receive, subject to his timely execution and non-revocation of a general release of claims against the Company: (i) an amount equal to twelve months of the NEO's base salary in accordance with the Company's normal payroll practice, (ii) Company payment of premiums (at active employee rates) for continuation of group health coverage for the NEO and his eligible dependents for twelve months, and (iii) only in the event of a termination by the Company without "cause" or by the NEO for "good reason" after June 30th during any year in which the employment agreement is effective, a pro-rated annual incentive award for the year in which termination occurs.

Each of the employment agreements with Messrs. Morris, Kassar, Weise, and Walsh contains a cutback provision for "parachute payments" under Code Section 280G, under which the NEO may receive a cutback of certain change-in-control payments in order to avoid any excise tax or loss of deduction under Code Section 280G, if the cutback would result (after factoring any potential excise taxes under Section 280G) in a larger after-tax payment to the NEO.

Each of the employment agreements with Messrs. Morris, Kassar, Weise, and Walsh contains the following restrictive covenants: (i) a non-compete covenant that prohibits the NEO from competing against the Company for twelve months after employment, (ii) non-solicit covenants that prohibit the NEO from actively soliciting the Company's employees, customers, or suppliers during employment and for twelve months after employment, and (iii) a perpetual confidentiality covenant that protects the Company's proprietary information, developments, and other intellectual property.

Accounting Considerations

We consider the accounting impact reflected in our financial statements when establishing the amounts and forms of executive compensation. The forms of compensation that we select are intended to be cost-efficient. We account for all awards settled in equity in accordance with FASB ASC Topic 718, under which the fair value of the grant, net of estimated forfeitures, is expensed over the service/vesting period based on the number of options, shares, or units, as applicable, that vest. The estimated payout amount of performance awards, along with any changes in that estimate, is recognized over the performance period under “liability” accounting. Our ultimate expense for performance awards will equal the value earned by/paid to the award recipients.

Tax Considerations; Deductibility of Compensation; Tax Cuts and Jobs Act

We focus on long-term stockholder value when determining all elements of compensation. As a result, tax deductibility is not our only consideration in awarding compensation. Code Section 162(m) (or Section 162(m)) limits the deductibility of compensation in excess of \$1 million paid to any one covered employee in any calendar year. Under the tax rules in effect before 2018, compensation that qualified as “performance-based” under Section 162(m) was deductible without regard to this \$1 million limit. However, the Tax Cuts and Jobs Act, which was signed into law December 22, 2017, eliminated this performance-based compensation exception effective January 1, 2018, subject to a special rule that “grandfathers” certain awards and arrangements that were in effect on or before November 2, 2017. As a result, compensation that the Compensation Committee structured in 2017 and prior years with the intent of qualifying as performance-based compensation under Section 162(m) that is paid on or after January 1, 2018 may not be fully deductible, depending on the application of the special grandfather rules. Moreover, from and after January 1, 2018, compensation awarded in excess of \$1 million to our NEOs generally will not be deductible. While the Tax Cuts and Jobs Act will limit the deductibility of compensation paid to our covered employees, the Compensation Committee will—consistent with its past practice—continue to retain flexibility to design compensation programs that are in the long-term interests of the Company and our stockholders, with deductibility of compensation being one of a variety of considerations taken into account.

Compensation Risk Assessment

As a publicly-traded company, we are subject to SEC rules regarding risk assessment. Those rules require a publicly-traded company to determine whether any of its existing incentive compensation plans, programs, or arrangements create risks that are reasonably likely to have a material adverse effect on the company. We do not believe that our incentive compensation plans, programs, or arrangements create risks that are reasonably likely to have a material adverse effect on Freshpet.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis set forth above. Based on this review and discussion, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this annual report.

The Compensation Committee of Freshpet, Inc.

Jonathan S. Marlow
Daryl G. Brewster
Robert C. King
Leta D. Priest

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation for 2018 for each NEO. Compensation information for 2017 and 2016 is presented for individuals who were also our NEOs in those years.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)(2)	All Other Compensation (\$)(3)	Total (\$)
William B. Cyr (4) <i>Chief Executive Officer</i>	2018	600,000	-	-	562,500	53,486	1,215,986
	2017	600,000	508,950	-	-	28,981	1,137,931
	2016	161,538	143,014	5,403,776	-	8,914	5,717,242
Scott Morris <i>President and Chief Operating Officer</i>	2018	400,000	-	-	300,000	11,000	711,000
	2017	387,115	264,654	889,552	-	30,497	1,581,818
	2016	367,403	111,008	770,052	-	30,629	1,279,092
Richard Kassar <i>Chief Financial Officer</i>	2018	302,500	-	221,384	189,063	11,000	723,947
	2017	290,721	165,409	212,395	-	25,287	693,812
	2016	281,061	69,353	546,177	-	25,101	921,692
Stephen L. Weise <i>Executive Vice President, Operations</i>	2018	270,000	-	132,835	135,000	11,000	548,835
Cathal Walsh <i>Senior Vice President, Cooler Operations</i>	2018	312,394	-	132,835	117,031	-	562,260

- (1) The amounts in this column for 2018 reflect the aggregate grant date fair value of each stock option granted. These amounts were computed in accordance with FASB ASC Topic 718 and are based on the valuation assumptions described in Note 10 to our consolidated financial statements included in the Company's Form 10-K for fiscal year 2018 filed with the SEC on February 28, 2019.
- (2) The amounts in this column for 2018 reflect cash awards paid to our NEOs under the Company's annual incentive plan.
- (3) The amounts in this column for 2018 are detailed in the table immediately below.

Name	Company Contribution to 401(k) Plan (\$)	Gross Up for Moving Expenses (\$)	Total (\$)
William B. Cyr	11,000	42,486(a)	53,486
Scott Morris	11,000	-	11,000
Richard Kassar	11,000	-	11,000
Stephen L. Weise	11,000	-	11,000
Cathal Walsh	-	-	-

(a) Represents a one-time lump sum payment to gross up taxable income associated with Company-reimbursed moving expenses.

(4) Mr. Cyr also serves as a member of the Board but does not receive any additional compensation for his service as a director.

(5)

2018 GRANTS OF PLAN-BASED AWARDS

The following table sets forth certain information with respect to grants of plan-based awards to our NEOs during 2018. Please see the “Outstanding Equity Awards at Fiscal Year-End” table below for additional information regarding the vesting parameters that are applicable to these awards.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards(1)			All Other Option Awards: Number of Securities Underlying Options (#)(2)	Exercise Price of Option Awards (\$)	Grant Value and Av
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
William B. Cyr	-	425,925	450,000	-	-	-	-	-	-	
Scott Morris	-	227,160	240,000	-	-	-	-	-	-	
Richard Kassar	3/30/2018	143,159	151,250	-	-	13,410	13,410	13,409	16.45	22
Stephen L. Weise	3/30/2018	102,222	108,000	-	-	8,046	8,046	8,046	16.45	13
Cathal Walsh	3/30/2018	88,616	93,625	-	-	-	-	16,092	16.45	13

- (1) The amounts reflected represent shares of our common stock underlying stock options that are eligible to vest annually on a sliding scale based on the achievement of adjusted EBITDA performance-based conditions.
- (2) The amounts reflected represent shares of our common stock underlying stock options that are eligible to vest in equal installments on the first three anniversaries of the grant date subject to the continued service of the grantee.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth certain information with respect to outstanding equity awards at December 31, 2018. Vesting of options reflected in the table is generally subject to continuous service with the Company, with accelerated vesting in certain circumstances, as reflected in the footnotes to the table.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date
William B. Cyr	250,000	250,000 (1)	500,000 (2)	10.23	9/6/2026
Scott Morris	7,612	53,476 (3)	80,214 (2)	11.00	4/3/2027
	-	-	133,000 (2)	8.90	9/27/2026
	14,208	28,416 (4)	-	9.05	5/10/2026
	57,434	-	-	7.10	1/1/2021
Richard Kassar	4,470	13,409 (5)	8,940 (6)	16.45	3/30/2028
	6,313	12,626 (3)	18,940 (2)	11.00	4/3/2027
	-	-	79,800 (2)	8.90	9/27/2026
	11,764	23,528 (4)	-	9.05	5/10/2026
	18,393	-	-	15.00	11/7/2024
	35,414	-	-	7.10	1/1/2021
Stephen L. Weise	2,682	8,046 (5)	5,364 (6)	16.45	3/30/2028
	3,862	7,724 (3)	11,587 (2)	11.00	4/3/2027
	-	-	53,200 (2)	8.90	9/27/2026
	36,755	18,377 (4)	-	9.05	5/10/2026
Cathal Walsh	-	-	16,092 (6)	16.45	3/30/2028
	-	-	35,000 (7)	15.65	10/1/2027
	7,724	15,449 (3)	-	11.00	4/3/2027
	16,369	8,185 (4)	-	9.05	5/10/2026
	35,414	-	-	7.10	1/1/2021
	13,109	-	-	15.00	11/7/2024

- (1) Scheduled to vest annually in approximately equal installments through 2020, subject to continued employment, with (a) accelerated vesting of a pro rata portion of the next scheduled installment upon an involuntary termination and (b) accelerated vesting in full upon a change in control of the Company.
- (2) Eligible to vest on a sliding scale based upon the achievement of EBITDA performance goals that the Compensation Committee considers moderate to difficult to achieve, with (a) the opportunity to vest in a pro rata portion upon an involuntary termination, based on actual Company performance through the end of the performance period, and (b) the opportunity to vest in part or in full upon a change in control of the Company, based on actual Company performance through the change in control.
- (3) Scheduled to vest annually in approximately equal installments through 2020, subject to continued employment, with accelerated vesting of the next scheduled installment upon an involuntary termination within two years after a change in control of the Company.
- (4) Scheduled to vest annually in approximately equal installments through 2019, subject to continued employment, with accelerated vesting of the next scheduled installment upon an involuntary termination within two years after a change in control of the Company.
- (5) Scheduled to vest annually in approximately equal installments through 2021, subject to continued employment, with accelerated vesting of the next scheduled installment upon an involuntary termination within two years after a change in control of the Company.
- (6) Eligible to vest on a sliding scale in equal annual installments based upon the achievement of EBITDA performance goals that the Compensation Committee considers moderate to difficult to achieve.
- (7) Eligible to vest based upon the achievement of European Net Sales and EBITDA goals for 2020 that the Compensation Committee considers moderate to difficult to achieve, with the opportunity to vest in full upon a change in control of the Company, based on actual Company performance through the change in control.

OPTION EXERCISES AND STOCK VESTED

The following table sets forth certain information regarding the exercise of stock options by our NEOs in 2018. Our NEOs did not hold any other stock awards in 2018.

Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)
William B. Cyr	-	-
Scott Morris	87,311	1,830,088
Richard Kassar	28,528	532,665
Stephen L. Weise	-	-
Cathal Walsh	-	-

(1) Amounts reflect the aggregate difference between the market price of our common stock at the exercise date and the exercise price of the stock options.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The following table sets forth information regarding the severance payments and the change in control payments that could have been made to our NEOs had they experienced a termination of employment or a change in control as of December 31, 2018. The fair market value of a share of our common stock on December 31, 2018 was \$32.16. The table only includes information for employment termination and change in control events that trigger vesting or severance-related payments, and assumes that each NEO will take all action necessary to receive the maximum available benefit, such as execution of a release of claims. Any amounts payable to the NEOs in the event of a change in control of the Company may be subject to reduction under Code Sections 280G and 4999. The amounts below are estimates of the incremental amounts that could be received upon a change in control or termination of employment; the actual amount could be determined only at the time of any actual change in control or termination of employment.

Name	Cash \$(1)(2)	Equity \$(3)
William B. Cyr		
<i>Termination due to permanent disability</i>	-	-
<i>Involuntary termination (4)</i>	2,362,500	1,742,382
<i>Change in control</i>	-	16,447,500
<i>Involuntary termination after change in control</i>	-	-
Scott Morris		
<i>Termination due to permanent disability</i>	252,000	-
<i>Involuntary termination (4)</i>	652,000	-
<i>Change in control</i>	-	3,093,580
<i>Involuntary termination after change in control</i>	-	1,788,246
Richard Kassar		
<i>Termination due to permanent disability</i>	163,250	-
<i>Involuntary termination (4)</i>	465,750	-
<i>Change in control</i>	-	1,856,148
<i>Involuntary termination after change in control</i>	-	1,021,554
Stephen L. Weise		
<i>Termination due to permanent disability</i>	120,000	-
<i>Involuntary termination (4)</i>	390,000	-
<i>Change in control</i>	-	1,237,432
<i>Involuntary termination after change in control</i>	-	714,535
Cathal Walsh		
<i>Termination due to permanent disability</i>	168,197	-
<i>Involuntary termination (4)</i>	480,591	-
<i>Change in control</i>	-	577,850
<i>Involuntary termination after change in control</i>	-	516,056

-
- (1) If an NEO's employment is terminated by us without cause, or due to the NEO's permanent disability, or due to the NEO's resignation with good reason, the NEO will be entitled to the cash severance benefits set forth in the NEO's employment agreement described in the CD&A above under "Employment Agreements with NEOs."
 - (2) Assumes that (i) a qualifying termination occurs on December 31, 2018 and (ii) any bonus is earned at 100% of target.
 - (3) See "Outstanding Equity Awards at Fiscal Year-End" above for an overview of the termination and change in control vesting terms of unvested stock options as of December 31, 2018.
 - (4) An "involuntary termination" means a termination by the Company without cause or by the NEO for good reason.

DIRECTOR COMPENSATION

The full Board approved director compensation for 2018, based on the recommendation of the Compensation Committee with assistance from KFHG, and in accordance with the Company's non-employee director compensation program. For 2018, each non-employee member of the Board who served for the entire year received an annual cash retainer of \$37,500 (or \$62,500 for the Chair of the Board), paid quarterly. In the fourth quarter of 2018, we increased the retainer amount, on a prospective basis, to \$50,000 (or \$80,000 for the Chair of the Board), in order to better align our director compensation with our peer group. See below for further details. In 2018, each Board member was also granted an award of time-vesting RSUs under our 2014 Plan, which vest on the first anniversary of the grant date, subject to continued service, with an upfront grant date value of \$37,500 (or \$62,500 for the Chair of the Board). In addition, certain directors who served as Chairs of Board committees received additional cash payments for 2018 as follows: \$10,000 for the Chair of the Company's Audit Committee and \$5,000 each for the Chairs of the Compensation Committee and the Nominating and Corporate Governance Committee.

In 2018, our Nominating and Corporate Governance Committee recommended that the Board actively recruit new members to diversify the Board. To begin that process, the Board conducted a study of Board compensation practices to ensure that our non-employee director compensation program was sufficient to attract the necessary talent to achieve its diversification goals. The compensation of the Board had not changed since the Company went public in 2014. As such, in April 2018, we conducted a study of board compensation practices using the same peer group selected for the Company's management. Based on the outcomes of that study and consistent with the compensation principles that we apply to management, the Board revised the non-employee director compensation policy, effective with payments made in the fourth quarter of 2018. The changes increased the overall compensation (both cash and equity) to be between the 50th and 75th percentile of the peer group and to weight compensation for 2019 more towards equity than cash (approximately 60% equity, 40% cash). With these compensation changes, Freshpet was able to successfully recruit two new, qualified directors.

The following table shows compensation paid to each of our non-employee directors who served during 2018.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(1)	Total (\$)
Charles A. Norris (2)	66,875	62,494	129,369
J. David Basto	40,625	37,506	78,131
Daryl G. Brewster	40,625	37,506	78,131
Lawrence S. Coben (3)	46,250	37,506	83,756
Walter N. George III	40,625	37,506	78,131
Christopher B. Harned (4)	36,779	37,506	74,285
Robert C. King	40,625	37,506	78,131
Jonathan S. Marlow (5)	46,250	37,506	83,756
Craig D. Steeneck (6)	51,875	37,506	89,381
Leta D. Priest (7)	12,500	34,992	47,492
Jacki S. Kelley (8)	-	-	-
William B. Cyr (9)	-	-	-

- (1) Represents the aggregate grant date fair value of RSUs granted under our 2014 Plan without regard to forfeitures, computed in accordance with FASB ASC Topic 718. This amount does not reflect the actual economic value realized by the director. The stock awards reflected in the table comprise all outstanding equity awards held by our non-employee directors at the end of 2018.
- (2) Charles A. Norris serves as Chair of the Board.
- (3) Lawrence S. Coben serves as Chair of the Nominating and Corporate Governance Committee and as such received an additional cash payment of \$5,000 for 2018.
- (4) Christopher B. Harned resigned from the Board on December 4, 2018, and the Board agreed to accelerate vesting of his outstanding RSUs at that time.
- (5) Jonathan S. Marlow serves as Chair of the Compensation Committee and as such was entitled to additional cash payment of \$5,000 for 2018. As noted above, Mr. Marlow is an employee of MidOcean Partners. MidOcean US Advisor, L.P. (or US Advisor) provides investment advisory services to MidOcean Partners and its affiliates. As part of Mr. Marlow's employment agreement with MidOcean Partners, director fees that he becomes entitled to in connection with his employment with MidOcean Partners—including director fees from Freshpet—are paid instead directly to US Advisor. Mr. Marlow's director fees paid by Freshpet to US Advisor are subject to the same terms, including vesting terms, as director fees paid to other non-employee Board members.
- (6) Craig D. Steeneck serves as the Chair of the Audit Committee and as such received an additional cash payment of \$10,000 for 2018.
- (7) Leta D. Priest was appointed to the Board on September 27, 2018. Ms. Priest was provided with a pro-rated cash retainer fee of \$12,500 and the Board, in its discretion, granted Ms. Priest RSUs under our 2014 Plan with an upfront grant date value equivalent to \$34,500.
- (8) Jacki S. Kelley was appointed to the Board on January 18, 2019 and as such received no compensation for 2018.
- (9) William B. Cyr is an NEO and does not receive separate compensation for serving on the Board.

Equity Compensation Plan Information

The Company administers two current equity compensation plans: our 2014 Plan and a 2016 inducement stock option grant to Mr. Cyr. The Company also administers two legacy equity compensation plans: our 2010 Stock Option Plan (or 2010 plan) and our 2006 Stock Incentive Plan (or 2006 Plan). The following table provides information as of December 31, 2018 regarding shares of our common stock that may be issued under the plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights (#) (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights (\$) (b)(1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (#) (c)
Equity Compensation Plans Approved by Security Holders	2,341,706(2)	11.26	1,732,379
Equity Compensation Plans Not Approved by Security Holders	1,000,000(3)	10.23	-
Total	3,341,706	11.41	1,732,379

- (1) RSUs reflected in column (a) are not reflected in these weighted-average exercise prices.
- (2) Includes 1,498,746 options outstanding under our 2014 Plan with a weighted average exercise price of \$13.47 and 271,979 RSUs outstanding under our 2014 Plan; 565,508 options outstanding under our 2010 Plan with a weighted average exercise price of \$7.10; and 5,473 options outstanding under our 2006 Plan with a weighted average exercise price of \$8.87.
- (3) Reflects a September 2016 inducement grant to our CEO, Mr. Cyr, which grant is described below.

2014 Omnibus Plan

Our 2014 Plan was adopted by the Board in connection with our initial public offering and approved by our stockholders in October 2014. Our 2014 Plan allows for awards of tax-qualified incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, other stock-based awards, and other cash-based awards to our directors, officers, employees, consultants, and advisors. Upon the adoption of our 2014 Plan, we discontinued our 2010 Plan, as described below.

Inducement Grant to Mr. Cyr

On September 6, 2016, we granted our CEO, Mr. Cyr, an inducement grant of stock options in accordance with the NASDAQ Marketplace Rules. Mr. Cyr's inducement grant consisted of 500,000 performance-vesting options and 500,000 time-vesting options. See "Outstanding Equity Awards at Fiscal Year-End" above for an overview of the vesting terms of these options.

2010 Stock Option Plan

Our 2010 Plan was adopted by the Board and approved by our stockholders in December 2010. Our 2010 Plan allowed for the grant of tax-qualified incentive stock options and nonstatutory stock options to our employees, officers, directors, consultants, and advisors. We discontinued our 2010 Plan in March 2014 and no new awards have been granted under the plan since that time. Any award outstanding under our 2010 Plan at the time of its discontinuance will remain in effect until the award is exercised or has expired in accordance with its terms.

2006 Stock Incentive Plan

Our 2006 Plan was adopted by the Board and approved by our stockholders in October 2006. Our 2006 Plan allowed for the grant of tax-qualified incentive stock options, nonstatutory stock options, restricted stock awards, RSUs, stock appreciation rights, and other stock-based awards to our employees, officers, directors, consultants, and advisors. We discontinued our 2006 Plan in December 2010 and no new awards have been granted under the plan since that time. Any award outstanding under our 2006 Plan at the time of its discontinuance will remain in effect until the award is exercised or has expired in accordance with its terms.

Security Ownership of Certain Beneficial Owners and Management

The following table shows information about the beneficial ownership of our common stock, as of April 23, 2019, by:

- each person known by us to beneficially own 5% or more of our outstanding common stock;
- each of our directors and named executive officers; and
- all of our directors and executive officers as a group.

For further information regarding material transactions between us and certain of our stockholders, see “Item 13. Certain Relationships and Related Transactions, and Director Independence—Certain Relationships and Related Party Transactions.”

The numbers listed below are based on 35,868,597 shares of our common stock outstanding as of April 23, 2019. Unless otherwise indicated, the address of each individual listed in this table is c/o Freshpet, Inc., 400 Plaza Drive, 1st Floor, Secaucus, New Jersey 07094.

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Common Stock Outstanding
Principal Stockholders:		
MidOcean (2)	3,296,308	9.2%
Gilder, Gagnon, Howe & Co.(3)	2,594,469	7.2%
Blackrock, Inc.(4)	1,877,138	5.2%
Named Executive Officers and Directors:		
Charles A. Norris (5)	586,248	1.6%
William B. Cyr	325,532	*
J. David Basto	17,321	*
Daryl G. Brewster	69,549	*
Lawrence S. Coben	50,342	*
Walter N. George III	39,375	*
Robert C. King	23,988	*
Jonathan S. Marlow	-	*
Craig D. Steeneck	30,655	*
Leta D. Priest	2,615	*
Jacki S. Kelley	1,655	*
Richard Kassar	242,133	*
Scott Morris	218,792	*
Stephen L. Weise	49,843	*
Cathal Walsh	85,702	*
Executive Officers and Directors as a Group (15 persons)	1,789,018	5.0%

* Less than 1%

(1) A “beneficial owner” of a security is determined in accordance with Rule 13d-3 under the Exchange Act and generally means any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has or shares:

- voting power, which includes the power to vote, or to direct the voting of, such security; and/or
- investment power, which includes the power to dispose, or to direct the disposition of, such security.

Unless otherwise indicated, each person named in the table above has sole voting and investment power, or shares voting and investment power with his or her spouse (as applicable), with respect to all shares of stock listed as owned by that person. Shares issuable upon the exercise of options exercisable on April 23, 2019 or within 60 days thereafter are considered outstanding and to be beneficially owned by the person holding such options for the purpose of computing such person’s beneficial ownership percentage but are not deemed outstanding for the purposes of computing the beneficial ownership percentage of any other person.

- (2) Includes 2,030,000 shares of common stock held by MidOcean Partners III, L.P., 1,079,226 shares of common stock held by MidOcean Partners III-A, L.P. and 173,094 shares of common stock held by MidOcean Partners III-D, L.P. (collectively, the "MidOcean Entities"). MidOcean Associates, SPC by and on behalf of its Segregated Portfolio, MidOcean Partners Segregated Portfolio III ("Associates") is the General Partner of each of the MidOcean Entities. MidOcean US Advisor, L.P. ("US Advisor") provides investment advisory services to each of the MidOcean Entities and Associates. 13,988 shares of restricted common stock (which have vested or will vest in the next 60 days) are held by US Advisor. J. Edward Virtue indirectly controls the shares of common stock held by the MidOcean Entities. Accordingly, Associates, US Advisor and Mr. Virtue may be deemed to have beneficial ownership of the shares of common stock held by the MidOcean Entities and Mr. Virtue may be deemed to have beneficial ownership of the shares of restricted common stock held by US Advisor. Each of Associates, US Advisor and Mr. Virtue disclaims beneficial ownership of the shares owned of record by any other person or entity except to the extent of their pecuniary interest therein. The address for each of the MidOcean Entities, Associates, US Advisor and Mr. Virtue is 320 Park Avenue, 16th Floor, New York, New York 10022.
 - (3) Represents shares of common stock beneficially owned as of December 31, 2018, based on a Schedule 13G filed on February 15, 2019, by Gilder, Gagnon, Howe & Co. In such filing, Gilder, Gagnon, Howe & Co. lists its address as 475 10th Avenue, New York, New York 10018.
 - (4) Represents shares of common stock beneficially owned as of December 31, 2018, based on a Schedule 13G filed on February 8, 2019, by Blackrock, Inc. In such filing, Blackrock, Inc. lists its address as 55 East 52nd Street, New York, NY 10055.
 - (5) Includes 22,680 shares of common stock held by Mr. Norris directly and 563,568 shares of common stock held by Norris Trust Ltd 6/18/02.
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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Stockholders Agreement

We are party to a Second Amended and Restated Stockholders Agreement with MidOcean Partners and certain of our other stockholders (the “Stockholders Agreement”), pursuant to which MidOcean Partners and the other stockholders party thereto are entitled to certain registration rights.

Demand Registrations

Under the Stockholders Agreement, holders of a majority of the shares subject to the agreement (the “Registrable Securities”) are able to require us to use our best efforts to file a registration statement under the Securities Act of 1933, as amended (the “Securities Act”) (“Demand Registration”), and we are required to notify the remaining holders of Registrable Securities in the event of such request (a “Demand Registration Request”). The holders of Registrable Securities can issue up to eight Demand Registration Requests. All eligible holders will be entitled to participate in any Demand Registration upon proper notice to us. We have certain limited rights to delay or postpone such registration.

Piggyback Registrations

Under the Stockholders Agreement, if at any time we propose or are required to register any of our equity securities under the Securities Act (other than a Demand Registration or certain excluded registrations), we will be required to notify each holder of Registrable Securities of its right to participate in such registration (a “Piggyback Registration”). We have the right to terminate or postpone any registration statement in which holders of Registrable Securities have elected to exercise Piggyback Registration rights.

Expenses of Registration

We are required to bear the registration expenses (other than underwriting discounts) incident to any registration in accordance with the Stockholders Agreement, including the reasonable fees of counsel chosen by the holders of a majority of the Registrable Securities included in the registration.

Indemnification

Under the Stockholders Agreement, we must, subject to certain limitations, indemnify each holder of Registrable Securities and its employees, partners, members, officers, directors, and stockholders of each such holder; agents, representatives, and advisors, including legal counsel and accountants for each such holder; any underwriter (as defined in the Securities Act) for each such holder; and each person, if any, who controls such holder or underwriter within the meaning of the Securities Act or the Exchange Act, against all losses, claims, damages, liabilities and expenses in certain circumstances and to pay any expenses reasonably incurred in connection with investigating and defending such losses, claims, damages, liabilities and expenses, except insofar as the same arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such holder expressly for use in connection with a registration effected pursuant to the Stockholders Agreement.

Termination of Registration Rights

The rights of a party to the Stockholders Agreement to exercise any demand registration rights or piggyback registration rights will terminate at any time that such party can freely sell its shares of common stock under Rule 144 without being limited by the volume limitation thereunder.

Raw Material Vendor

In September 2018, one of the Company’s raw material vendors, Florida Food Products, was purchased by MidOcean, one of our largest stockholders. Jonathan Marlow, a member of our board of directors, also serves on the board of directors of Florida Food Products. The purchase of the vendor by MidOcean, has had no impact on the cadence or amount of the raw materials that the Company has purchased from the vendor. During 2018, the Company purchased approximately \$1,400,000 of raw materials from the vendor.

Since MidOcean's acquisition of the vendor, the Company has purchased approximately \$650,000 of raw materials from the vendor. The Company believes that all payments made to the vendor are at market value and thus at arms-length.

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and executive officers. Each indemnification agreement provides that, subject to limited exceptions, and among other things, we will indemnify the director or executive officer to the fullest extent permitted by law for claims arising in his or her capacity as our director or officer.

Procedures for Approval of Related Party Transactions

Our Board of Directors has adopted a written related party transaction policy, which sets forth the policies and procedures for the review and approval or ratification of related party transactions. This policy is administered by our Audit Committee. These policies provide that, in determining whether or not to recommend the initial approval or ratification of a related party transaction, the relevant facts and circumstances available shall be considered, including, among other factors it deems appropriate, whether the interested transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related party's interest in the transaction.

DIRECTOR INDEPENDENCE

See "Item 10. Directors, Executive Officers and Corporate Governance—Corporate Governance and Board Structure" and "Item 10. Directors, Executive Officers and Corporate Governance—Board Committees."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**Fees for Services Rendered by Independent Registered Public Accounting Firm**

The following table presents fees for professional services rendered by our current independent registered public accounting firm for the fiscal years ended December 31, 2018 and 2017.

	2018	2017
Audit Fees (1)	\$ 850,000	\$ 417,000
Audit-Related Fees (2)	85,000	—
Tax Fees	—	—
All Other Fees	—	—
Total	\$ 935,000	\$ 417,000

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- (1) Audit Fees: These fees include fees related to the audit of the Company's annual financial statements and review of the Company's quarterly financial statements as well as services that are normally provided by independent registered public accounting firms in connection with statutory and regulatory filings or engagements.
- (2) Audit-Related Fees: Audit-related fees are for assurance and related services including, among others, due diligence services and consultation concerning financial accounting and reporting standards. Additionally, fees include services in connection with the Company's filing of a registration statement and preparation of a comfort letter in connection with a secondary offering.

**Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services
Performed by the Independent Registered Public Accounting Firm**

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by the independent auditor and to not engage the independent auditor to perform the non-audit services proscribed by law or regulation. The Audit Committee may adopt pre-approval policies and procedures detailed as to particular services and delegate pre-approval authority to a member of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting.

All services provided by KPMG, LLP for 2018 and 2017 were pre-approved by the Audit Committee.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as a part of this report:

- (1) Financial Statements—All financial statements are omitted for the reason that they are not required or the information is otherwise supplied in Item 8. “Financial Statements and Supplementary Data” in the 2018 10-K filed on February 28, 2019.
- (2) Financial Statement Schedules—None.
- (3) Exhibits—The exhibits listed on the accompanying Exhibit Index are filed or incorporated by reference as part of this report.

EXHIBIT INDEX

Exhibit No.	Description
3.1	<u>Third Amended and Restated Certificate of Incorporation (incorporated by reference to the Company's Registration on Form S-8 filed on December 12, 2014)</u>
3.2	<u>Amended and Restated Bylaws (incorporated by reference to the Company's Registration on Form S-8 filed on December 12, 2014)</u>
3.3	<u>Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of Freshpet, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on September 21, 2017)</u>
10.1	<u>Third Amended and Restated Loan and Security Agreement by and among Freshpet, Inc. as Borrower, the lenders that are signatories hereto as the Lenders, and City National Bank, together with its successors and assigns as the Arranger and Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 7, 2017)</u>
10.2	<u>Freshpet, Inc. 2014 Omnibus Incentive Plan (incorporated by reference to the Company's Registration Statement on Form S-8 filed on December 12, 2014)</u>
10.3	<u>Professor Connor's, Inc. 2010 Stock Option Plan (incorporated by reference to the Company's Registration on Form S-8 filed on December 12, 2014)</u>
10.4	<u>Professor Connor's, Inc. 2006 Stock Plan (incorporated by reference to the Company's Registration on Form S-8 filed on December 12, 2014)</u>
10.5	<u>Form of Restricted Stock Agreement Pursuant to the Freshpet, Inc. 2014 Omnibus Incentive Plan (incorporated by reference to Amendment No. 2 to the Company's Registration Statement on Form S-1 filed on October 27, 2014)</u>
10.6	<u>Form of Restricted Stock Unit Agreement Pursuant to the Freshpet, Inc. 2014 Omnibus Incentive Plan (incorporated by reference to Amendment No. 2 to the Company's Registration Statement on Form S-1 filed on October 27, 2014)</u>
10.7	<u>Form of Incentive Stock Option Agreement Pursuant to the Freshpet, Inc. 2014 Omnibus Incentive Plan (incorporated by reference to Amendment No. 2 to the Company's Registration Statement on Form S-1 filed on October 27, 2014)</u>
10.8	<u>Form of Nonqualified Stock Option Agreement Pursuant to the Freshpet, Inc. 2014 Omnibus Incentive Plan (incorporated by reference to Amendment No. 2 to the Company's Registration Statement on Form S-1 filed on October 27, 2014)</u>
10.9	<u>Form of Stock Appreciation Rights Agreement Pursuant to the Freshpet, Inc. 2014 Omnibus Incentive Plan (incorporated by reference to Amendment No. 2 to the Company's Registration Statement on Form S-1 filed on October 27, 2014)</u>
10.10	<u>Form of Freshpet, Inc. Non-Employee Director Compensation Policy (incorporated by reference to Amendment No. 3 to the Company's Registration Statement on Form S-1 filed on November 4, 2014)</u>
10.11	<u>Form of Employment Agreement between Scott Morris and Freshpet, Inc. (incorporated by reference to Amendment No. 3 to the Company's Registration Statement on Form S-1 filed on November 4, 2014)</u>
10.12	<u>Form of Employment Agreement between Cathal Walsh and Freshpet, Inc. (incorporated by reference to Amendment No. 3 to the Company's Registration Statement on Form S-1 filed on November 4, 2014)</u>

10.13	<u>Form of Indemnification Agreement between Freshpet, Inc. and each of its directors and executive officers (incorporated by reference to Amendment No. 3 to the Company's Registration Statement on Form S-1 filed on November 4, 2014)</u>
10.14	<u>Form of Second Amended and Restated Stockholders Agreement (incorporated by reference to Amendment No. 3 to the Company's Registration Statement on Form S-1 filed on November 4, 2014)</u>
10.15	<u>Separation and Consulting Agreement, dated as of March 9, 2016, by and between Freshpet, Inc. and Richard Thompson (incorporated by reference to the Company's Form 8-K filed on March 9, 2016)</u>
10.16	<u>Employment Agreement, dated as of July 27, 2016, by and between Freshpet, Inc. and William B. Cyr (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 8, 2016)</u>
10.17*	<u>Employment Agreement, dated as of October 31, 2014, by and between Freshpet, Inc. and Richard Kassir</u>
10.18*	<u>Employment Agreement, dated as of July 6, 2015, by and between Freshpet, Inc. and Stephen Weise</u>
21.1	<u>List of Subsidiaries (incorporated by reference to the Company's Registration Statement Annual Report on Form 10-K filed on February 28, 2019)</u>
23.1†	<u>Consent of KPMG LLP</u>
31.1†	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2†	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.3*	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to the Registrant's Amendment No.1 to the Annual Report on Form 10-K/A for the year ended December 31, 2018</u>
31.4*	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to the Registrant's Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended December 31, 2018</u>
32.1†	<u>Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS†	XBRL Instance Document
101.SCH†	XBRL Schema Documents
101.CAL†	XBRL Calculation Linkbase Document
101.LAB†	XBRL Labels Linkbase Document
101.PRE†	XBRL Presentation Linkbase Document
101.DEF†	XBRL Definition Linkbase Document

* Filed herewith.

† Filed as an exhibit to the 2018 10-K, filed on February 28, 2019.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on April 30, 2019.

FRESHPET, INC.

By: /s/ Richard Kassar

Name: Richard Kassar

Title: Chief Financial Officer

EMPLOYMENT AGREEMENT

THIS AGREEMENT by and between Freshpet, Inc., a Delaware corporation (the "Company"), and Richard Kassar (the "Executive"), is dated as of October __, 2014, but shall be effective only upon the earlier to occur of January 1, 2015 and the effective date of the initial public offering of equity securities of the Company pursuant to an offering registered under the Securities Act of 1933 (such earlier date, the "Effective Date").

In consideration of the mutual covenants herein contained and of the mutual benefits herein provided, the Company and the Executive agree as follows:

1. **Representations and Warranties.** The Executive represents and warrants to the Company that Executive is not bound by any restrictive covenants and has no prior or other obligations or commitments of any kind that would in any way prevent, restrict, hinder or interfere with Executive's acceptance of continued employment or the performance of all duties and services hereunder to the fullest extent of the Executive's ability and knowledge. The Executive agrees to indemnify and hold harmless the Company for any liability the Company may incur as the result of the existence of any such covenants, obligations or commitments.
2. **Term of Employment.** The Company will continue to employ the Executive and the Executive accepts continued employment by the Company on the terms and conditions herein contained for a period (the "Employment Period") provided in Section 5.

3. **Duties and Functions.**

(a)(1)The Executive shall be employed as the Chief Financial Officer of the Company. The Executive shall report directly to the Chief Executive Officer of the Company.

(2)The Executive agrees to undertake the duties and responsibilities commensurate with the position of Chief Financial Officer, which may encompass different or additional duties as may, from time to time, be reasonably assigned by the Chief Executive Officer, and the duties and responsibilities undertaken by the Executive may be reasonably altered or modified from time to time by the Chief Executive Officer, so long as that Executive's responsibilities as Chief Financial Officer are not materially reduced, and Executive's reporting relationship is not materially altered or modified in an adverse way.

(b)During the Employment Period, the Executive will devote the Executive's full time and efforts to the business of the Company. The Executive may engage in non-competitive business or charitable activities for reasonable periods of time each month so long as such activities do not interfere with the Executive's responsibilities under this Employment Agreement.

4. Compensation.

(a) Base Salary: As compensation for the Executive's services hereunder, during the Executive's employment as Chief Financial Officer, the Company agrees to pay the Executive a base salary at the rate of \$275,000 per annum, payable in accordance with the Company's normal payroll schedule (which will be no less frequently than one-twelfth of the annual salary amount during each calendar month, which normal payroll schedule shall be the "Normal Payment Schedule"). The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation. In no event shall the Executive's salary be reduced below the Executive's current salary (or, subsequent to any increases, below the Executive's then current salary).

The Executive's salary shall be subject to annual review, based on corporate policy and contributions made by Executive to the Company.

(b) Participation in Stock Option Program: The Executive shall be eligible to participate in the Company's equity incentive programs, as such programs may exist on the date hereof or from time to time hereafter.

(c) Other Expenses: In addition to the compensation provided for above, the Company agrees to pay or to reimburse the Executive during the Executive's employment for all reasonable, ordinary, and necessary, properly vouchered, client-related business or entertainment expenses incurred in the performance of the Executive's services hereunder in accordance with Company policy in effect from time to time. The Executive shall submit vouchers and receipts for all expenses for which reimbursement is sought.

Any reimbursements or in-kind benefits to be provided pursuant to this Agreement that are taxable to the Executive shall be subject to the following restrictions: (a) each reimbursement must be paid no later than the last day of the calendar year following the Executive's tax year during which the expense was incurred; (b) the amount of expenses or in-kind benefits provided during a tax year of the Executive may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other tax year of the Executive; and (c) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) Vacation: During each calendar year, the Executive shall be entitled to four (4) weeks of vacation to be accrued and taken in accordance with Company policy as in effect from time to time.

(e) Fringe Benefits: In addition to the Executive's compensation provided by the foregoing, the Executive shall be entitled to the benefits available generally to Company employees pursuant to, and subject to the terms of, Company programs, including, by way of illustration, personal leave, paid holidays, sick leave, profit-sharing, retirement, disability, dental, vision, group sickness, accident or health insurance programs of the Company which may now or, if not terminated, shall hereafter be in effect, or in any other or additional such programs

which may be established by the Company, as and to the extent any such programs are or may from time to time be in effect, as determined by the Company.

(f) **Annual Bonus:** The Executive shall be eligible to participate in any annual cash bonus plan as established by the Board of the Directors (the "**Board**") (or a committee thereof) in its sole discretion with an annual target bonus opportunity of at least 50% of Executive's base salary based on the achievement of preestablished performance goals established by the Board (or a committee thereof) in its sole discretion. Any annual bonus payable hereunder shall be paid in the calendar year following the calendar year to which such bonus relates at the same time annual bonuses are paid to other senior executives of the Company, subject to the Executive's continued employment with the Company through the date of payment (except as otherwise provided in Section 5 hereof).

5. Employment Period; Termination.

(a) The Executive's employment under this Agreement shall continue unabated until terminated by either party pursuant to the terms of this Agreement.

(b) The Employment Period shall continue until terminated upon the earlier to occur of the following events: (i) the close of business on the first anniversary of the Effective Date (the initial one (1) year term of this Agreement shall be referred to herein as the "**Initial Term**") or (ii) the death or Permanent Disability (as defined in Section 5(f)) of the Executive or other termination event described in this Section 5, *provided, however, that*, on the first anniversary of the Effective Date, and on every subsequent annual anniversary, and unless either party has given the other party written notice at least ninety (90) days prior to the such anniversary date, the term of this Agreement and the Employment Period shall be renewed for a term ending one (1) year subsequent to such date (each such one-year term shall be referred to herein as a "**Renewal Term**"), unless sooner terminated as provided herein. For the purposes of this Agreement, the Initial Term and each Renewal Term shall collectively be referred to as the "**Employment Period**."

(c) Notwithstanding the provisions of Sections 5(a) and (b) above, the Executive may terminate the employment relationship at any time for any reason by giving the Company written notice at least thirty (30) days prior to the effective date of termination. Unless otherwise provided by this Section, all compensation and benefits paid by the Company to the Executive shall cease upon the Executive's last day of employment; *provided, however, that* if the Executive terminates the Executive's employment for "Good Reason" pursuant to the terms and conditions set forth below, (i) the Company will continue to pay the Executive's base salary pursuant to the Normal Payment Schedule for a period of twelve (12) months from the effective date of termination (the "**Severance Period**"), (ii) in the event that the Executive's employment is terminated after June 30th, the Company shall pay the Executive the bonus described in Section 4(c), notwithstanding that the Executive will not be employed with the Company through the date of payment, in the amount determined based on the actual level of achievement of the applicable performance goals pursuant to Section 4(f) multiplied by a fraction, the numerator is the number of days through the effective date of termination of the Executive's employment in the year of such termination, and the denominator of which is 365, and (iii) and the Company

will pay the premiums for the Executive's continuation of group health coverage under the Company's plans under COBRA at the active employee rates and subject to the Executive's timely election of COBRA beginning on the date of the Executive's Separation from Service (as defined in Internal Revenue Code Section 409A) for the Severance Period. The Company may include the premiums for continued health insurance coverage during the Severance Period in the Executive's taxable income. Notwithstanding the foregoing, in the event that providing the foregoing coverage would result in the imposition of excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable), the parties hereby agree to negotiate in good faith to modify the foregoing provision in such manner as to avoid the imposition of such excise taxes while also maintaining, to the maximum extent reasonably possible, the original intent and economic benefits to the Executive and the Company under this Section 5(c). The Executive shall also be entitled to receive any accrued but unpaid salary and bonuses, and to be reimbursed for any reimbursable expenses that have not been reimbursed prior to such termination. The Executive acknowledges and agrees that the non-competition and non-solicitation restrictions set forth in Section 7 of this Employment Agreement will remain in full force and effect for the twelve (12) month period after the termination of the Executive's employment under this section, and the confidentiality and rights to inventions obligations established in Sections 8 and 9 of this Agreement will survive the termination of this Agreement pursuant to this section.

For purposes of this Agreement, "Good Reason" is defined as any one of the following: (i) Company's material breach of any provision of this Agreement; (ii) any material adverse change in the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities, or any other action by the Company made without the Executive's permission (other than a change due to the Executive's Permanent Disability or as an accommodation under the Americans With Disabilities Act) which results in: (A) a diminution in any material respect in Executive's position, authority, duties, responsibilities or compensation, which diminution continues in time over at least thirty (30) days, such that it constitutes an effective demotion (*provided, however*, that no diminution of title, position, duties or responsibilities shall be deemed to occur solely because the Company becomes a subsidiary of another corporation or entity); or (B) a material diversion from Executive's performance of the functions of Executive's position (including but not necessarily limited to Executive's authority to hire, direct, and/or fire employees, Executive's authority to oversee the general direction and focus of the Company), excluding for this purpose material adverse changes made with Executive's written consent or due to Executive's termination For Cause or termination by Executive without Good Reason; or (iii) relocation of the Company's headquarters to a location which requires Executive to travel more than thirty (30) additional miles from Executive's residence than Executive must already travel to arrive at the Company's headquarters without Executive's written consent; *provided, however*, that it shall not constitute Good Reason unless Executive shall have provided the Company with written notice of its alleged actions constituting Good Reason (which notice shall specify in reasonable detail the particulars of such Good Reason) within ninety (90) days following the first occurrence of such event and Company has not cured any such alleged Good Reason within thirty (30) days of Company's receipt of such written notice. The Executive must actually terminate employment within thirty (30) days

following the expiration of the Company's cure period set forth above. For the avoidance of doubt, a termination of the Executive's employment as a result of a non-renewal of this Agreement by the Executive pursuant to Section 5(b)) shall be deemed a voluntary resignation without Good Reason for all purposes hereunder.

(d) If the Executive's employment is terminated for "Cause," the Executive shall not be entitled to receive severance pay. As used in this Agreement, the term "Cause" shall include a termination for (i) fraud (including but not limited to any acts of embezzlement or misappropriation of funds); (ii) breach of fiduciary obligation; (iii) conviction of a felony, plea of guilty or *nolo contendere* to a felony charge or any criminal act involving moral turpitude (which, through lapse of time or otherwise, is not subject to appeal); (iv) repeatedly being under the influence of drugs or alcohol (other than prescription medicine or other medically-related drugs to the extent that they are taken in accordance with their directions) during the performance of Executive's duties under this Agreement, or while under the influence of such drugs or alcohol, engaging in grossly inappropriate conduct during the performance of Executive's duties under this Agreement; (v) a refusal to substantially perform the Executive's duties hereunder, (vi) willful misconduct or gross negligence, or (vii) material breach of this Agreement, except in the event of the Executive's Permanent Disability as set forth in Section 5(f). Anything herein to the contrary notwithstanding, the Company shall give the Executive written notice prior to terminating this Agreement of the Executive's employment based upon a serious dereliction of fiduciary obligation or refusal to perform ((ii) or (v) above), setting forth the exact nature of any such alleged serious dereliction of duty or refusal to perform and the conduct required to cure such breach. The Executive shall have thirty (30) days from the giving of such notice within which to cure. The Executive acknowledges and agrees that the non-competition and non-solicitation restrictions set forth in Section 7 of this Employment Agreement will remain in full force and effect for the twelve (12) month period after the termination of Executive's employment under this section, and the confidentiality and rights to inventions obligations established in Sections 8 and 9 of this Agreement will survive the termination of this Agreement pursuant to this section.

(e) Upon sixty (60) days written notice, the Company shall retain the right to terminate the Executive without Cause (which, for the avoidance of doubt, shall include a non-renewal of this Agreement by the Company pursuant to Section 5(b)). If the Executive's employment is terminated by the Company without Cause, (i) the Executive shall continue to receive Executive's base salary pursuant to the Normal Payment Schedule for the Severance Period, (ii) in the event that the Executive's employment is terminated after June 30th, the Company shall pay the Executive the bonus described in Section 4(c), notwithstanding that the Executive will not be employed with the Company through the date of payment, in the amount determined based on the actual level of achievement of the applicable performance goals pursuant to Section 4(f) multiplied by a fraction, the numerator is the number of days through the effective date of termination of the Executive's employment in the year of such termination, and the denominator of which is 365, and (iii) the Company will pay the premiums for the Executive's continuation of group health coverage under the Company's plans under COBRA at the active employee rates and subject to the Executive's timely election of COBRA beginning on the date of Executive's Separation from Service (as defined in Internal Revenue Code Section

409A) for the Severance Period. The Company may include the premiums for continued health insurance coverage during the Severance Period in the Executive's taxable income. Notwithstanding the foregoing, in the event that providing the foregoing coverage would result in the imposition of excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable), the parties hereby agree to negotiate in good faith to modify the foregoing provision in such manner as to avoid the imposition of such excise taxes while also maintaining, to the maximum extent reasonably possible, the original intent and economic benefits to the Executive and the Company under this Section 5(e). The non-competition and non-solicitation restrictions set forth in Section 7 of this Employment Agreement will remain in full force and effect for the twelve (12) month period after the termination of Executive's employment under this section. The confidentiality and rights to inventions obligations established in Sections 8 and 9 of this Agreement will survive the termination of this Agreement pursuant to this section.

(f) In the event of the Executive's Permanent Disability during employment with the Company, the Company may terminate this Agreement by giving thirty (30) days notice to the Executive of its intent to terminate, and unless the Executive resumes performance of the duties set forth in Section 3 within five (5) days of the date of the notice and continues performance for the remainder of the notice period, this Agreement shall terminate at the end of the thirty (30) day period. If the Executive is terminated pursuant to this Section 5(f), the Executive shall be entitled to receive severance pay in an amount equal to the salary that the Executive would have received for a period equal to the Severance Period, less all applicable withholding and deductions. The Company will pay the premiums for the Executive's continuation of group health coverage under the Company's plans under COBRA at the active employee rates and subject to the Executive's timely election of COBRA for a period equal to the Severance Period. The Company may include the premiums for continued health insurance coverage in the Executive's taxable income. Notwithstanding the foregoing, in the event that providing the foregoing coverage would result in the imposition of excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable), the parties hereby agree to negotiate in good faith to modify the foregoing provision in such manner as to avoid the imposition of such excise taxes while also maintaining, to the maximum extent reasonably possible, the original intent and economic benefits to the Executive and the Company under this Section 5(f). The severance pay shall be payable beginning on the date of the Executive's Separation from Service (as defined in Internal Revenue Code Section 409A) in accordance with the Company's Normal Payroll Schedule, as if Executive's employment had continued during the applicable severance period. "Permanent Disability," for the purposes of this Agreement means the inability, due to physical or mental ill health, to perform the Executive's duties for one hundred twenty (120) days during any one employment year, irrespective of whether such days are consecutive. In the event of any dispute under this Section, the Executive shall submit to a physical examination by a licensed physician mutually satisfactory to the Company and the Executive, the cost of such examination to be paid by the Company, and the determination of such physician shall be determinative. The Executive acknowledges and agrees that the non-competition and non-solicitation restrictions set

forth in Section 7 of this Employment Agreement will remain in full force and effect for the twelve (12) month period after the termination of Executive's employment under this section, and the confidentiality and rights to inventions obligations established in Sections 8 and 9 of this Agreement will survive the termination of this Agreement pursuant to this section.

(g) This Agreement will terminate immediately upon the Executive's death and the Company shall not have any further liability or obligation to the Executive, the Executive's executors, heirs, assigns or any other person claiming under or through the Executive's estate, except that Executive's estate shall receive any accrued but unpaid salary or bonuses.

(h) The severance benefits under Section 5(c), 5(e) and 5(f) shall only be payable if the Executive delivers to the Company and does not revoke a general release of claims in favor of the Company in a form reasonably satisfactory to the Company, except if the Executive is incapable of signing a release due to a Permanent Disability, in which case the Executive shall not be required to deliver such a general release of claims. Such release shall be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following termination. Notwithstanding the provisions of Section 5(c), 5(e) and 5(f), to the extent that the payment of any severance amount subject to the release requirement under this Section 5(h) constitutes "nonqualified deferred compensation" for purposes of 409A (as defined in Section 17(d)), any such payment scheduled to occur during the first sixty (60) days following termination of employment shall not be paid until the sixtieth (60th) day following such termination and shall include payment of any amount that was otherwise scheduled to be paid prior thereto.

(i) If it is determined that any payment or distribution in the nature of compensation (as defined in Internal Revenue Code Section 280G(b)(2)) to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Parachute Payment"), would constitute an "excess parachute payment" as defined in Internal Revenue Code Section 280G, then the Company shall pay to the Executive whichever of the following gives the Executive the highest net after-tax amount (after taking into account all applicable federal, state, local and social security taxes): (i) the Parachute Payment, or (ii) the amount that would not result in the imposition of excise tax on the Executive under Internal Revenue Code Section 4999. Any required reduction in the Parachute Payment pursuant to the foregoing shall be accomplished solely by reducing the amount of severance payment payable pursuant to Section 5 of this Agreement. All determinations to be made under this Section 5(i) shall be made by an independent public accounting firm selected by the Company immediately prior to an event giving rise to a potential Parachute Payment (the "Accounting Firm"), which shall provide its determinations and any supporting calculations to both the Company and the Executive within thirty (30) days after such event. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this paragraph 5(i) shall be borne solely by the Company.

6. Company Property. All correspondence, records, documents, software, promotional materials, and other Company property, including all copies, which come into the Executive's possession by, through or in the course of Executive's employment, regardless of the source and whether created by the Executive, are the sole and exclusive property of the Company, and immediately upon the termination of the Executive's employment, or any time at the Company's request, the Executive shall return to the Company all such property of the Company.

7. Non-Competition; Non-Solicitation.

(a) The Executive agrees that, in consideration of Executive's employment with the Company pursuant to this Agreement, and other good and valuable consideration, the receipt of which is hereby acknowledged, during Executive's employment with the Company and for twelve (12) months after termination thereof, the Executive will not either on the Executive's own behalf or on behalf of any third party, except on behalf of the Company, directly or indirectly (other than through Executive's ownership of equity interest in the Company), as an individual proprietor, partner, stockholder, officer, employee, director, joint venturer, investor, lender, or in any other capacity whatsoever (other than as the holder of not more than five percent (5%) of the total outstanding stock of a publicly-held company), (i) engage in the manufacture, sale or distribution of either (A) fresh, refrigerated, frozen or raw pet food; or (B) dry pet food with more than 30% meat content; (ii) divert, take away, or attempt to divert or take away, the business or patronage (with respect to products or services of the kind or type developed, produced, marketed, furnished or sold by the Company) of any of the Company's clients, customers, vendors, business or strategic partners, or accounts, or prospective clients, customers, vendors, business or strategic partners, or accounts, that were contacted, solicited, or served by the Executive while employed by the Company, or (iii) persuade any client, customer, vendor, strategic or business partner, or account of the Company to cease to do business, invest in, participate with, or otherwise work with the Company, or to reduce the amount of business, investment, participation or work that any such client, customer, vendor, or strategic or business partner has customarily done or actively contemplates doing with the Company.

(b) During the Executive's employment with the Company and for twelve (12) months after termination thereof, the Executive agrees that the Executive shall not, except in the furtherance of the Executive's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, solicit, aid or induce any employee, representative or agent of the Company or any of its affiliates to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent. An employee, representative or agent shall be deemed covered by this Section 7(b) while so employed or retained and for a period of six (6) months thereafter.

(c) If any restriction set forth in Section 7 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or geographic area, it shall be interpreted to extend over the maximum period of time, range of activities or geographic areas as to which it may be enforceable.

(d) The Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 7 or Section 8 would be inadequate and, in recognition of this fact, the Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond or other security, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available, without the necessity of showing actual monetary damages. In the event of a violation by the Executive of Section 7 or Section 8, any severance being paid to the Executive pursuant to this Agreement or otherwise shall immediately cease.

(e) The provisions of Section 7 and Section 8 shall survive termination of this Agreement.

8. Protection of Confidential Information. The Executive agrees that all information, whether or not in writing, relating to the business, technical, or financial affairs of the Company and that is generally understood in the pet food industry (and any other related or relevant industry) as being confidential and/or proprietary information, is the exclusive property of the Company. The Executive agrees to hold in a fiduciary capacity for the sole benefit of the Company all secret, confidential or proprietary information, knowledge, data, or trade secret ("Confidential Information") relating to the Company or any of its affiliates or their respective clients, which Confidential Information shall have been obtained during Executive's employment with the Company. By way of illustration, but not limitation, Confidential Information includes information regarding the Company's projects, methodologies, business or vendor relationships, relationships with strategic or business partners, and all information and know-how (whether or not patentable, copyrightable or otherwise able to be registered or protected under laws governing intellectual property) owned, possessed, or used by the Company, including, without limitation, any invention, existing or future product, formula, method, manufacturing techniques and procedures, composition, compound, project, development, plan, market research, vendor information, supplier information, customer lists or information, apparatus, equipment, trade secret, process, research, reports, clinical data, financial data, technical data, test data, know-how, computer program, software, software documentation, source code, hardware design, technology, marketing or business plan, forecast, unpublished financial statement, budget, license, patent applications, contracts, joint ventures, price, cost and personnel data, any trade names, trademarks or slogans, but shall not include information that (i) is or becomes public knowledge through legal means without fault by the Executive, (ii) is already public knowledge prior to the signing of this Agreement, (iii) was available to the Executive on a non-confidential basis prior to its disclosure by the Company, (iv) was disclosed by the Executive in the performance of the Executive's duties hereunder, or (v) must be disclosed pursuant to applicable law or court order.

The Executive agrees that the Executive will not at any time, either during the Term of this Agreement or after its termination, except as reasonably necessary in the scope and course of Executive's duties, disclose to anyone any Confidential Information, or utilize such Confidential Information for Executive's own benefit, or for the benefit of third parties without written approval by an officer of the Company. Executive further agrees that all memoranda, notes, records, data, schematics, sketches, computer programs, prototypes, or written, photographic, magnetic or other documents or tangible objects compiled by Executive or made available to Executive during the Term of Executive's employment concerning the business of the Company and/or its clients, including any copies of such materials, shall be the property of the Company and shall be delivered to the Company on the termination of the Executive's employment, or at any other time upon request of the Company.

9. Publicity. Neither party shall issue, without consent of the other party, any press release or make any public announcement with respect to this Agreement or the employment relationship between them. Following the Effective Date and regardless of any dispute that may arise in the future, the Executive and the Company jointly and mutually agree that they will not disparage, criticize or make statements which are negative, detrimental or injurious to the other to any individual, company or client, including within the Company.

10. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns. In the event the Company is acquired, is a non surviving party in a merger, or transfers substantially all of its assets, this Agreement shall not be terminated and the transferee or surviving company shall be bound by the provisions of this Agreement. The parties understand that the obligations of the Executive are personal and may not be assigned by the Executive.

11. Entire Agreement. This Agreement contains the entire understanding of the Executive and the Company with respect to employment of the Executive and supersedes any and all prior understandings, written or oral. This Agreement may not be amended, waived, discharged or terminated orally, but only by an instrument in writing, specifically identified as an amendment to this Agreement, and signed by all parties. By entering into this Agreement, the Executive certifies and acknowledges that the Executive has carefully read all of the provisions of this Agreement and that the Executive voluntarily and knowingly enters into said Agreement.

12. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be deemed severable from the remainder of this Agreement, and the remaining provisions contained in this Agreement shall be construed to preserve to the maximum permissible extent the intent and purposes of this Agreement. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13. Governing Law and Submission to Jurisdiction. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New Jersey, without giving effect to the principles of conflicts of law thereof.

14. Notices. Any notice provided for in this Agreement shall be provided in writing. Notices shall be effective from the date of service, if served personally on the party to whom notice is to be given, or on the second day after mailing, if mailed by first class mail, postage prepaid. Notices shall be properly addressed to the parties at their respective addresses or to such other address as either party may later specify by notice to the other.

15. ARBITRATION. THE PARTIES AGREE THAT ANY CONTROVERSY, CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH THEREOF, EXCEPT AS DISCUSSED HEREIN OR ARISING OUT OF OR RELATING TO THE EMPLOYMENT OF THE EXECUTIVE, OR THE TERMINATION THEREOF, INCLUDING ANY STATUTORY OR COMMON LAW CLAIMS UNDER FEDERAL, STATE, OR LOCAL LAW, INCLUDING ALL LAWS PROHIBITING DISCRIMINATION IN THE WORKPLACE, SHALL BE RESOLVED BY ARBITRATION IN NEW JERSEY IN ACCORDANCE WITH THE EMPLOYMENT DISPUTE RESOLUTION RULES OF JAMS/ENDISPUTE. THE PARTIES AGREE THAT ANY AWARD RENDERED BY THE ARBITRATOR SHALL BE FINAL AND BINDING, AND THAT JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THE PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT, DUE TO THE NATURE OF THE CONFIDENTIAL INFORMATION, TRADE SECRETS, AND INTELLECTUAL PROPERTY BELONGING TO THE COMPANY TO WHICH THE EXECUTIVE HAS OR WILL BE GIVEN ACCESS, AND THE LIKELIHOOD OF SIGNIFICANT HARM THAT THE COMPANY WOULD SUFFER IN THE EVENT THAT SUCH INFORMATION WAS DISCLOSED TO THIRD PARTIES, NOTHING IN THIS SECTION SHALL PRECLUDE THE COMPANY FROM GOING TO COURT TO SEEK INJUNCTIVE RELIEF TO PREVENT THE EXECUTIVE FROM VIOLATING THE OBLIGATIONS ESTABLISHED IN SECTIONS 7 THROUGH 9 OF THIS AGREEMENT.

16. Indemnification. In the Executive's capacity as a director, manager, officer, or employee of the Company or serving or having served any other entity as a director, manager, officer, or the Executive at the Company's request, the Executive shall be indemnified and held harmless by the Company to the fullest extent allowed by law, the Company's charter and by-laws, from and against any and all losses, claims, damages, liabilities, expenses (including legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Executive may be involved, or threatened to be involved, as a party or otherwise by reason of the Executive's status, which relate to or arise out of the Company, their assets, business or affairs, unless in each of the foregoing cases, a court of competent jurisdiction has finally determined that (i) the Executive did not act in good faith and in a manner the Executive believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal proceeding, had reasonable cause to believe the Executive's conduct was unlawful, and (ii) the Executive's conduct constituted gross negligence or willful or wanton misconduct (and the Company shall also advance expenses as incurred to the fullest extent permitted under applicable law, provided the Executive provides an undertaking to repay advances if it is

ultimately determined that the Executive is not entitled to indemnification). The Company shall advance all expenses incurred by the Executive in connection with the investigation, defense, settlement or appeal of any civil or criminal action or proceeding referenced in this Section, including but not necessarily limited to legal counsel, expert witnesses or other litigation-related expenses. The Executive shall be entitled to coverage under the Company's directors and officers liability insurance policy in effect at any time in the future to no lesser extent than any other officers or directors of the Company. After the Executive is no longer employed by the Company, the Company shall keep in effect the provisions of this Section 16, which provision shall not be amended except as required by applicable law or except to make changes permitted by law that would enlarge the right of indemnification of the Executive. Notwithstanding anything herein to the contrary, the provisions of this Section shall survive the termination of this Agreement and the termination of the Employment Period for any reason.

17. Miscellaneous.

(a) No delay or omission by either party in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by one party on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

(b) The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

(c) Any rights of the Executive hereunder shall be in addition to any rights the Executive may otherwise have under written benefit plans or agreements of the Company to which the Executive is a party or in which the Executive is a participant, including, but not limited to, any Company sponsored written employee benefit plans, stock option plans, grants and agreements.

18. Tax Matters.

(a) Section 409A Compliance:

(1) The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Executive and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

(2) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall not be made or provided until the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 18(a)(2) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(3) For purposes of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(4) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

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IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered under seal, by its authorized officers or individually, on the date first identified above.

FRESHPET, INC.:

/s/ Richard Thompson

By: Richard Thompson

Title: CEO

RICHARD KASSAR:

/s/ Richard Kassar

EMPLOYMENT AGREEMENT

THIS AGREEMENT by and between Freshpet, Inc., a Delaware corporation (the "Company"), and Stephen L. Wiese (the "Executive"), is dated as of July __, 2015, (such date, the "Effective Date").

In consideration of the mutual covenants herein contained and of the mutual benefits herein provided, the Company and the Executive agree as follows:

1. Representations and Warranties. The Executive represents and warrants to the Company that Executive is not bound by any restrictive covenants and has no prior or other obligations or commitments of any kind that would in any way prevent, restrict, hinder or interfere with Executive's acceptance of continued employment or the performance of all duties and services hereunder to the fullest extent of the Executive's ability and knowledge. The Executive agrees to indemnify and hold harmless the Company for any liability the Company may incur as the result of the existence of any such covenants, obligations or commitments.

2. Term of Employment. The Company will continue to employ the Executive and the Executive accepts continued employment by the Company on the terms and conditions herein contained for a period (the "Employment Period") provided in Section 5.

3. Duties and Functions.

(a) (I) The Executive shall be employed as the Executive Vice President of Operations of the Company. The Executive shall report directly to the Chief Executive Officer of the Company.

(2) The Executive agrees to undertake the duties and responsibilities commensurate with the position of the Executive Vice President of Operations, which may encompass different or additional duties as may, from time to time, be reasonably assigned by the Chief Executive Officer, and the duties and responsibilities undertaken by the Executive may be reasonably altered or modified from time to time by the Chief Executive Officer, so long as that Executive's responsibilities as the Executive Vice President of Operations are not materially reduced, and Executive's reporting relationship is not materially altered or modified in an adverse way.

(b) During the Employment Period, the Executive will devote the Executive's full time and efforts to the business of the Company. The Executive may engage in non competitive business or charitable activities for reasonable periods of time each month so long as such activities do not interfere with the Executive's responsibilities under this Employment Agreement.

4. Compensation.

(a) Base Salary: As compensation for the Executive's services hereunder, during the Executive's employment as the Executive Vice President of Operations, the Company

agrees to pay the Executive a base salary at the rate of \$235,000 per annum, payable in accordance with the Company's normal payroll schedule (which will be no less frequently than one-twelfth of the annual salary amount during each calendar month, which normal payroll schedule shall be the "Normal Payment Schedule"). The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation. In no event shall the Executive's salary be reduced below the Executive's current salary (or, subsequent to any increases, below the Executive's then current salary).

The Executive's salary shall be subject to annual review, based on corporate policy and contributions made by Executive to the Company.

(b) Participation in Stock Option Program: The Executive shall be eligible to participate in the Company's equity incentive programs, as such programs may exist from time to time hereafter.

(c) Other Expenses: In addition to the compensation provided for above, the Company agrees to pay or to reimburse the Executive during the Executive's employment for all reasonable, ordinary, and necessary, properly vouchered, client-related business or entertainment expenses incurred in the performance of the Executive's services hereunder in accordance with Company policy in effect from time to time. The Executive shall submit vouchers and receipts for all expenses for which reimbursement is sought.

Any reimbursements or in-kind benefits to be provided pursuant to this Agreement that are taxable to the Executive shall be subject to the following restrictions: (a) each reimbursement must be paid no later than the last day of the calendar year following the Executive's tax year during which the expense was incurred; (b) the amount of expenses or in-kind benefits provided during a tax year of the Executive may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other tax year of the Executive; and (c) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) Vacation: During each calendar year, the Executive shall be entitled to four (4) weeks of vacation to be accrued and taken in accordance with Company policy as in effect from time to time.

(e) Fringe Benefits: In addition to the Executive's compensation provided by the foregoing, the Executive shall be entitled to the benefits available generally to Company employees pursuant to, and subject to the terms of, Company programs, including, by way of illustration, personal leave, paid holidays, sick leave, profit-sharing, retirement, disability, dental, vision, group sickness, accident or health insurance programs of the Company which may now or, if not terminated, shall hereafter be in effect, or in any other or additional such programs which may be established by the Company, as and to the extent any such programs are or may from time to time be in effect, as determined by the Company.

(t) Annual Bonus: The Executive shall be eligible to participate in any annual cash bonus plan as established by the Board of the Directors (the "Board") (or a committee thereof) in its sole discretion with an annual target bonus opportunity of at least 40% of Executive's base salary based on the achievement of pre-established performance goals established by the Board (or a committee thereof) in its sole discretion. Any annual bonus payable hereunder shall be paid in the calendar year following the calendar year to which such bonus relates at the same time annual bonuses are paid to other senior executives of the Company, subject to the Executive's continued employment with the Company through the date of payment (except as otherwise provided in Section 5 hereof).

5. **Employment Period; Termination.**

(a) The Executive's employment under this Agreement shall continue unabated until terminated by either party pursuant to the terms of this Agreement.

(b) The Employment Period shall continue until terminated upon the earlier to occur of the following events: (i) the close of business on the first anniversary of the effective Date (the initial one (1) year term of this Agreement shall be referred to herein as the "Initial Term"), or (ii) the death or Permanent Disability (as defined in Section 5(f)) of the Executive or other termination event described in this Section 5, *provided, however, that*, on the first anniversary of the Effective Date, and on every subsequent annual anniversary, and unless either party has given the other party written notice at least ninety (90) days prior to the such anniversary date, the term of this Agreement and the Employment Period shall be renewed for a term ending one (1) year subsequent to such date (each such one-year term shall be referred to herein as a "Renewal Term"), unless sooner terminated as provided herein. For the purposes of this Agreement, the Initial Term and each Renewal Term shall collectively be referred to as the "Employment Period."

(c) Notwithstanding the provisions of Sections 5(a) and (b) above, the Executive may terminate the employment relationship at any time for any reason by giving the Company written notice at least thirty (30) days prior to the effective date of termination. Unless otherwise provided by this Section, all compensation and benefits paid by the Company to the Executive shall cease upon the Executive's last day of employment; *provided, however, that* if the Executive terminates the Executive's employment for "Good Reason" pursuant to the terms and conditions set forth below, (i) the Company will continue to pay the Executive's base salary pursuant to the Normal Payment Schedule for a period of twelve (12) months from the effective date of termination (the "Severance Period"), (ii) in the event that the Executive's employment is terminated after June 30th, the Company shall pay the Executive the bonus described in Section 4(c), notwithstanding that the Executive will not be employed with the Company through the date of payment, in the amount determined based on the actual level of achievement of the applicable performance goals pursuant to Section 4(t) multiplied by a fraction, the numerator is the number of days through the effective date of termination of the Executive's employment in the year of such termination, and the denominator of which is 365, and (iii) and the Company will pay the premiums for the Executive's continuation of group health coverage under the Company's plans under COBRA at the active employee rates and subject to the Executive's

timely election of COBRA beginning on the date of the Executive's Separation from Service (as defined in Internal Revenue Code Section 409A) for the Severance Period. The Company may include the premiums for continued health insurance coverage during the Severance Period in the Executive's taxable income.

Notwithstanding the foregoing, in the event that providing the foregoing coverage would result in the imposition of excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable), the parties hereby agree to negotiate in good faith to modify the foregoing provision in such manner as to avoid the imposition of such excise taxes while also maintaining, to the maximum extent reasonably possible, the original intent and economic benefits to the Executive and the Company under this Section 5(c). The Executive shall also be entitled to receive any accrued but unpaid salary and bonuses, and to be reimbursed for any reimbursable expenses that have not been reimbursed prior to such termination. The Executive acknowledges and agrees that the non-competition and non-solicitation restrictions set forth in Section 7 of this Employment Agreement will remain in full force and effect for the twelve (12) month period after the termination of the Executive's employment under this section, and the confidentiality and rights to inventions obligations established in Sections 8 and 9 of this Agreement will survive the termination of this Agreement pursuant to this section.

For purposes of this Agreement, "Good Reason" is defined as any one of the following:

(i) Company's material breach of any provision of this Agreement; (ii) any material adverse change in the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities, or any other action by the Company made without the Executive's permission (other than a change due to the Executive's Permanent Disability or as an accommodation under the Americans With Disabilities Act) which results in: (A) a diminution in any material respect in Executive's position, authority, duties, responsibilities or compensation, which diminution continues in time over at least thirty (30) days, such that it constitutes an effective demotion (*provided, however*, that no diminution of title, position, duties or responsibilities shall be deemed to occur solely because the Company becomes a subsidiary of another corporation or entity); or (B) a material diversion from Executive's performance of the functions of Executive's position (including but not necessarily limited to Executive's authority to hire, direct, and/or fire employees, Executive's authority to oversee the general direction and focus of the Company), excluding for this purpose material adverse changes made with Executive's written consent or due to Executive's termination For Cause or termination by Executive without Good Reason; or (iii) relocation of the Company's headquarters to a location which requires Executive to travel more than thirty (30) additional miles from Executive's residence than Executive must already travel to arrive at the Company's headquarters without Executive's written consent; *provided, however*, that it shall not constitute Good Reason unless Executive shall have provided the Company with written notice of its alleged actions constituting Good Reason (which notice shall specify in reasonable detail the particulars of such Good Reason) within ninety (90) days following the first occurrence of such event and Company has not cured any such alleged Good Reason within thirty (30) days of Company's receipt of such written notice. The Executive must actually terminate employment within thirty (30) days following the expiration of the Company's cure period set forth above. For the avoidance of doubt, a termination of the Executive's employment as a result of a non-renewal of this

Agreement by the Executive pursuant to Section 5(b)) shall be deemed a voluntary resignation without Good Reason for all purposes hereunder.

(d) If the Executive's employment is terminated for "Cause," the Executive shall not be entitled to receive severance pay. As used in this Agreement, the term "Cause" shall include a termination for (i) fraud (including but not limited to any acts of embezzlement or misappropriation of funds); (ii) breach of fiduciary obligation; (iii) conviction of a felony, plea of guilty or *nolo contendere* to a felony charge or any criminal act involving moral turpitude (which, through lapse of time or otherwise, is not subject to appeal); (iv) repeatedly being under the influence of drugs or alcohol (other than prescription medicine or other medically-related drugs to the extent that they are taken in accordance with their directions) during the performance of Executive's duties under this Agreement, or, while under the influence of such drugs or alcohol, engaging in grossly inappropriate conduct during the performance of Executive's duties under this Agreement; (v) a refusal to substantially perform the Executive's duties hereunder, (vi) willful misconduct or gross negligence, or (vii) material breach of this Agreement, except in the event of the Executive's Permanent Disability as set forth in Section 5(t). Anything herein to the contrary notwithstanding, the Company shall give the Executive written notice prior to terminating this Agreement of the Executive's employment based upon a serious dereliction of fiduciary obligation or refusal to perform ((ii) or (v) above), setting forth the exact nature of any such alleged serious dereliction of duty or refusal to perform and the conduct required to cure such breach. The Executive shall have thirty (30) days from the giving of such notice within which to cure. The Executive acknowledges and agrees that the non competition and non-solicitation restrictions set forth in Section 7 of this Employment Agreement will remain in full force and effect for the twelve (12) month period after the termination of Executive's employment under this section, and the confidentiality and rights to inventions obligations established in Sections 8 and 9 of this Agreement will survive the termination of this Agreement pursuant to this section.

(e) Upon sixty (60) days written notice, the Company shall retain the right to terminate the Executive without Cause (which, for the avoidance of doubt, shall include a non renewal of this Agreement by the Company pursuant to Section 5(b)). If the Executive's employment is terminated by the Company without Cause, (i) the Executive shall continue to receive Executive's base salary pursuant to the Normal Payment Schedule for the Severance Period, (ii) in the event that the Executive's employment is terminated after June 30th, the Company shall pay the Executive the bonus described in Section 4(c), notwithstanding that the Executive will not be employed with the Company through the date of payment, in the amount determined based on the actual level of achievement of the applicable performance goals pursuant to Section 4(t) multiplied by a fraction, the numerator is the number of days through the effective date of termination of the Executive's employment in the year of such termination, and the denominator of which is 365, and (iii) the Company will pay the premiums for the Executive's continuation of group health coverage under the Company's plans under COBRA at the active employee rates and subject to the Executive's timely election of COBRA beginning on the date of Executive's Separation from Service (as defined in Internal Revenue Code Section 409A) for the Severance Period. The Company may include the premiums for continued health insurance coverage during the Severance Period in the Executive's taxable income.

Notwithstanding the foregoing, in the event that providing the foregoing coverage would result in the imposition of excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable), the parties hereby agree to negotiate in good faith to modify the foregoing provision in such manner as to avoid the imposition of such excise taxes while also maintaining, to the maximum extent reasonably possible, the original intent and economic benefits to the Executive and the Company under this Section 5(e). The non-competition and non-solicitation restrictions set forth in Section 7 of this Employment Agreement will remain in full force and effect for the twelve (12) month period after the termination of Executive's employment under this section. The confidentiality and rights to inventions obligations established in Sections 8 and 9 of this Agreement will survive the termination of this Agreement pursuant to this section.

(f) In the event of the Executive's Permanent Disability during employment with the Company, the Company may terminate this Agreement by giving thirty (30) day's notice to the Executive of its intent to terminate, and unless the Executive resumes performance of the duties set forth in Section 3 within five (5) days of the date of the notice and continues performance for the remainder of the notice period, this Agreement shall terminate at the end of the thirty (30) day period. If the Executive is terminated pursuant to this Section 5(f), the Executive shall be entitled to receive severance pay in an amount equal to the salary that the Executive would have received for a period equal to the Severance Period, less all applicable withholding and deductions. The Company will pay the premiums for the Executive's continuation of group health coverage under the Company's plans under COBRA at the active employee rates and subject to the Executive's timely election of COBRA for a period equal to the Severance Period. The Company may include the premiums for continued health insurance coverage in the Executive's taxable income. Notwithstanding the foregoing, in the event that providing the foregoing coverage would result in the imposition of excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable), the parties hereby agree to negotiate in good faith to modify the foregoing provision in such manner as to avoid the imposition of such excise taxes while also maintaining, to the maximum extent reasonably possible, the original intent and economic benefits to the Executive and the Company under this Section 5(f). The severance pay shall be payable beginning on the date of the Executive's Separation from Service (as defined in Internal Revenue Code Section 409A) in accordance with the Company's Normal Payroll Schedule, as if Executive's employment had continued during the applicable severance period. "Permanent Disability" for the purposes of this Agreement means the inability, due to physical or mental illness, to perform the Executive's duties for one hundred twenty (120) days during any one employment year, irrespective of whether such days are consecutive. In the event of any dispute under this Section, the Executive shall submit to a physical examination by a licensed physician mutually satisfactory to the Company and the Executive, the cost of such examination to be paid by the Company, and the determination of such physician shall be determinative. The Executive acknowledges and agrees that the non-competition and non-solicitation restrictions set forth in Section 7 of this Employment Agreement will remain in full force and effect for the twelve (12) month period after the termination of Executive's employment under this section.

and the confidentiality and rights to inventions obligations established in Sections 8 and 9 of this Agreement will survive the termination of this Agreement pursuant to this section.

(g) This Agreement will terminate immediately upon the Executive's death and the Company shall not have any further liability or obligation to the Executive, the Executive's executors, heirs, assigns or any other person claiming under or through the Executive's estate, except that Executive's estate shall receive any accrued but unpaid salary or bonuses.

(h) The severance benefits under Section 5(c), 5(e) and 5(t) shall only be payable if the Executive delivers to the Company and does not revoke a general release of claims in favor of the Company in a form reasonably satisfactory to the Company, except if the Executive is incapable of signing a release due to a Permanent Disability, in which case the Executive shall not be required to deliver such a general release of claims. Such release shall be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following termination. Notwithstanding the provisions of Section 5(c), 5(e) and 5(t), to the extent that the payment of any severance amount subject to the release requirement under this Section 5(h) constitutes "nonqualified deferred compensation" for purposes of 409A (as defined in Section 17(d)), any such payment scheduled to occur during the first sixty (60) days following

termination of employment shall not be paid until the sixtieth (60th

day following such

termination and shall include payment of any amount that was otherwise scheduled to be paid prior thereto.

(i) If it is determined that any payment or distribution in the nature of compensation (as defined in Internal Revenue Code Section 280G(b)(2)) to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Parachute Payment"), would constitute an "excess parachute payment" as defined in Internal Revenue Code Section 280G, then the Company shall pay to the Executive whichever of the following gives the Executive the highest net after-tax amount (after taking into account all applicable federal, state, local and social security taxes): (i) the Parachute Payment, or (ii) the amount that would not result in the imposition of excise tax on the Executive under Internal Revenue Code Section 4999. Any required reduction in the Parachute Payment pursuant to the foregoing shall be accomplished solely by reducing the amount of severance payment payable pursuant to Section 5 of this Agreement. All determinations to be made under this Section 5(i) shall be made by an independent public accounting firm selected by the Company immediately prior to an event giving rise to a potential Parachute Payment (the "Accounting Firm"), which shall provide its determinations and any supporting calculations to both the Company and the Executive within thirty (30) days after such event. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this paragraph 5(i) shall be borne solely by the Company.

6. Company Property. All correspondence, records, documents, software, promotional materials, and other Company property, including all copies, which come into the Executive's possession by, through or in the course of Executive's employment, regardless of the

source and whether created by the Executive, are the sole and exclusive property of the Company, and immediately upon the termination of the Executive's employment, or any time at the Company's request, the Executive shall return to the Company all such property of the Company.

7. Non-Competition; Non-Solicitation.

- (a) The Executive agrees that, in consideration of Executive's employment with the Company pursuant to this Agreement, and other good and valuable consideration, the receipt of which is hereby acknowledged, during Executive's employment with the Company and for twelve (12) months after termination thereof, the Executive will not either on the Executive's own behalf or on behalf of any third party, except on behalf of the Company, directly or indirectly (other than through Executive's ownership of equity interest in the Company), as an individual proprietor, partner, stockholder, officer, employee, director, joint venturer, investor, lender, or in any other capacity whatsoever (other than as the holder of not more than five percent (5%) of the total outstanding stock of a publicly-held company),
- (i) engage in the manufacture, sale or distribution of either (A) fresh, refrigerated, frozen or raw pet food; or (B) dry pet food with more than 30% meat content; (ii) divert, take away, or attempt to divert or take away, the business or patronage (with respect to products or services of the kind or type developed, produced, marketed, furnished or sold by the Company) of any of the Company's clients, customers, vendors, business or strategic partners, or accounts, or prospective clients, customers, vendors, business or strategic partners, or accounts, that were contacted, solicited, or served by the Executive while employed by the Company, or (iii) persuade any client, customer, vendor, strategic or business partner, or account of the Company to cease to do business, invest in, participate with, or otherwise work with the Company, or to reduce the amount of business, investment, participation or work that any such client, customer, vendor, or strategic or business partner has customarily done or actively contemplates doing with the Company.
- (b) During the Executive's employment with the Company and for twelve (12) months after termination thereof, the Executive agrees that the Executive shall not, except in the furtherance of the Executive's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, solicit, aid or induce any employee, representative or agent of the Company or any of its affiliates to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent. An employee, representative or agent shall be deemed covered by this Section 7(b) while so employed or retained and for a period of six (6) months thereafter.
- (c) If any restriction set forth in Section 7 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or geographic area, it shall be interpreted to extend over the maximum period of time, range of activities or geographic areas as to which it may be enforceable.

(d) The Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 7 or Section 8 would be inadequate and, in recognition of this fact, the Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond or other security, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available, without the necessity of showing actual monetary damages. In the event of a violation by the Executive of Section 7 or Section 8, any severance being paid to the Executive pursuant to this Agreement or otherwise shall immediately cease.

(e) The provisions of Section 7 and Section 8 shall survive termination of this Agreement.

8. Protection of Confidential Information. The Executive agrees that all information, whether or not in writing, relating to the business, technical, or financial affairs of the Company and that is generally understood in the pet food industry (and any other related or relevant industry) as being confidential and/or proprietary information, is the exclusive property of the Company. The Executive agrees to hold in a fiduciary capacity for the sole benefit of the Company all secret, confidential or proprietary information, knowledge, data, or trade secret ("Confidential Information") relating to the Company or any of its affiliates or their respective clients, which Confidential Information shall have been obtained during Executive's employment with the Company. By way of illustration, but not limitation, Confidential Information includes information regarding the Company's projects, methodologies, business or vendor relationships, relationships with strategic or business partners, and all information and know-how (whether or not patentable, copyrightable or otherwise able to be registered or protected under laws governing intellectual property) owned, possessed, or used by the Company, including, without limitation, any invention, existing or future product, formula, method, manufacturing techniques and procedures, composition, compound, project, development, plan, market research, vendor information, supplier information, customer lists or information, apparatus, equipment, trade secret, process, research, reports, clinical data, financial data, technical data, test data, know-how, computer program, software, software documentation, source code, hardware design, technology, marketing or business plan, forecast, unpublished financial statement, budget, license, patent applications, contracts, joint ventures, price, cost and personnel data, any trade names, trademarks or slogans, but shall not include information that (i) is or becomes public knowledge through legal means without fault by the Executive, (ii) is already public knowledge prior to the signing of this Agreement, (iii) was available to the Executive on a non-confidential basis prior to its disclosure by the Company, (iv) was disclosed by the Executive in the performance of the Executive's duties hereunder, or (v) must be disclosed pursuant to applicable law or court order.

The Executive agrees that the Executive will not at any time, either during the Term of this Agreement or after its termination, except as reasonably necessary in the scope and course of Executive's duties, disclose to anyone any Confidential Information, or utilize such Confidential Information for Executive's own benefit, or for the benefit of third parties without written approval by an officer of the Company. Executive further agrees that all memoranda, notes,

records, data, schematics, sketches, computer programs, prototypes , or written, photographic, magnetic or other documents or tangible objects compiled by Executive or made available to Executive during the Term of Executive ' s employment concerning the business of the Company and/or its clients, including any copies of such materials , shall be the property of the Company and shall be delivered to the Company on the termination of the Executive's employment , or at any other time upon request of the Company.

9. Publicity. Neither party shall issue , without consent of the other party, any press release or make any public announcement with respect to this Agreement or the employment relationship between them. Following the Effective Date and regardless of any dispute that may arise in the future, the Executive and the Company jointly and mutually agree that they will not disparage, criticize or make statements which are negative, detrimental or injurious to the other to any individual, company or client, including within the Company.

10. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns. In the event the Company is acquired, is a non-surviving party in a merger, or transfers substantially all of its assets, this Agreement shall not be terminated and the transferee or surviving company shall be bound by the provisions of this Agreement. The parties understand that the obligations of the Executive are personal and may not be assigned by the Executive.

11. Entire Agreement. This Agreement contains the entire understanding of the Executive and the Company with respect to employment of the Executive and supersedes any and all prior understandings, written or oral. This Agreement may not be amended , waived, discharged or terminated orally, but only by an instrument in writing , specifically identified as an amendment to this Agreement, and signed by all parties. By entering into this Agreement, the Executive certifies and acknowledges that the Executive has carefully read all of the provisions of this Agreement and that the Executive voluntarily and knowingly enters into said Agreement.

12. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be deemed severable from the remainder of this Agreement , and the remaining provisions contained in this Agreement shall be construed to preserve to the maximum permissible extent the intent and purposes of this Agreement. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction .

13. Governing Law and Submission to Jurisdiction. This Agreement shall be governed by, and construed and enforced in accordance with , the laws of the State of New Jersey, without giving effect to the principles of conflicts of law thereof.

14. Notices. Any notice provided for in this Agreement shall be provided in writing. Notices shall be effective from the date of service , if served personally on the party to whom notice is to be given, or on the second day after mailing, if mailed by first class mail, postage prepaid. Notices shall be properly addressed to the parties at their respective addresses or to such other address as either party may later specify by notice to the other.

15. **ARBITRATION. THE PARTIES AGREE THAT ANY CONTROVERSY, CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH THEREOF, EXCEPT AS DISCUSSED HEREIN OR ARISING OUT OF OR RELATING TO THE EMPLOYMENT OF THE EXECUTIVE, OR THE TERMINATION THEREOF, INCLUDING ANY STATUTORY OR COMMON LAW CLAIMS UNDER FEDERAL, STATE, OR LOCAL LAW, INCLUDING ALL LAWS PROHIBITING DISCRIMINATION IN THE WORKPLACE, SHALL BE RESOLVED BY ARBITRATION IN NEW JERSEY IN ACCORDANCE WITH THE EMPLOYMENT DISPUTE RESOLUTION RULES OF JAMS/ENDISPUTE. THE PARTIES AGREE THAT ANY AWARD RENDERED BY THE ARBITRATOR SHALL BE FINAL AND BINDING, AND THAT JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THE PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT, DUE TO THE NATURE OF THE CONFIDENTIAL INFORMATION, TRADE SECRETS, AND INTELLECTUAL PROPERTY BELONGING TO THE COMPANY TO WHICH THE EXECUTIVE HAS OR WILL BE GIVEN ACCESS, AND THE LIKELIHOOD OF SIGNIFICANT HARM THAT THE COMPANY WOULD SUFFER IN THE EVENT THAT SUCH INFORMATION WAS DISCLOSED TO THIRD PARTIES, NOTHING IN THIS SECTION SHALL PRECLUDE THE COMPANY FROM GOING TO COURT TO SEEK INJUNCTIVE RELIEF TO PREVENT THE EXECUTIVE FROM VIOLATING THE OBLIGATIONS ESTABLISHED IN SECTIONS 7 THROUGH 9 OF THIS AGREEMENT.**

16. **Indemnification.** In the Executive's capacity as a director, manager, officer, or employee of the Company or serving or having served any other entity as a director, manager, officer, or the Executive at the Company's request, the Executive shall be indemnified and held harmless by the Company to the fullest extent allowed by law, the Company's charter and by laws, from and against any and all losses, claims, damages, liabilities, expenses (including legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Executive may be involved, or threatened to be involved, as a party or otherwise by reason of the Executive's status, which relate to or arise out of the Company, their assets, business or affairs, unless in each of the foregoing cases, a court of competent jurisdiction has finally determined that (i) the Executive did not act in good faith and in a manner the Executive believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal proceeding, had reasonable cause to believe the Executive's conduct was unlawful, and (ii) the Executive's conduct constituted gross negligence or willful or wanton misconduct (and the Company shall also advance expenses as incurred to the fullest extent permitted under applicable law, provided the Executive provides an undertaking to repay advances if it is ultimately determined that the Executive is not entitled to indemnification). The Company shall advance all expenses incurred by the Executive in connection with the investigation, defense, settlement or appeal of any civil or criminal action or proceeding referenced in this Section, including but not necessarily limited to legal counsel, expert witnesses or other litigation-related expenses. The Executive shall be entitled to coverage under the Company's directors and officers liability insurance policy in effect at any time in the future to no lesser extent than any

other officers or directors of the Company. After the Executive is no longer employed by the Company, the Company shall keep in effect the provisions of this Section 16, which provision shall not be amended except as required by applicable law or except to make changes permitted by law that would enlarge the right of indemnification of the Executive. Notwithstanding anything herein to the contrary, the provisions of this Section shall survive the termination of this Agreement and the termination of the Employment Period for any reason.

17. Miscellaneous.

(a) No delay or omission by either party in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by one party on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

(b) The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

(c) Any rights of the Executive hereunder shall be in addition to any rights the Executive may otherwise have under written benefit plans or agreements of the Company to which the Executive is a party or in which the Executive is a participant, including, but not limited to, any Company sponsored written employee benefit plans, stock option plans, grants and agreements.

18. Tax Matters.

(a) Section 409A Compliance:

(1) The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Executive and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

(2) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to

the contrary in this Agreement, if the Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall not be made or provided until the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 409A(a)(2) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(3) For purposes of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(4) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered under seal, by its authorized officers or individually, on the date first identified above.

By:
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JL

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Title:(' \, -C: f / c^{1/4} w oC',CC!:<•

Stephen L. Weise:




TN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered under seal, by its authorized officers or individually, on the date first identified above.

By:

Title: CVO, .C 8: c V< Ct<

Stephen L. Weise:



A handwritten signature in cursive script, appearing to read "Stephen L. Weise", is written over a horizontal line.

CERTIFICATIONS

I, William B. Cyr, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of Freshpet, Inc. for the year ended December 31, 2018; and

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 30, 2019

/s/ William B. Cyr
William B. Cyr
Chief Executive Officer

CERTIFICATIONS

I, Richard Kassar, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of Freshpet, Inc. for the year ended December 31, 2018; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 30, 2019

/s/ Richard Kassar
Richard Kassar
Chief Financial Officer