

CEDAR FAIR L P
Form DEF 14A
April 26, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No. ____)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

CEDAR FAIR, L.P.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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One Cedar Point Drive

Sandusky, Ohio 44870-5259

NOTICE OF ANNUAL MEETING OF LIMITED PARTNER UNITHOLDERS TO BE HELD ON JUNE 7, 2018

The annual meeting of the limited partner unitholders of Cedar Fair, L.P. will be held on Thursday, June 7, 2018 at 9:00 a.m. (EDT) at The Westin Charlotte, 601 S. College Street, Charlotte, North Carolina. All unitholders are invited to attend the meeting. The meeting is called for the following purposes:

1. To elect three (3) Class II Directors of the general partner to serve for a three-year term expiring in 2021 from those nominees nominated in accordance with our Partnership Agreement.
2. To confirm the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.
3. To hold an advisory vote to approve the compensation of our named executive officers.
4. To transact such other business as may properly come before the meeting.

Only limited partners who held units as of the close of business on April 9, 2018 are entitled to notice of and to vote at the annual meeting and at any adjournments or postponements of the meeting.

By Order of the Board of Directors,

CEDAR FAIR MANAGEMENT, INC.

Richard A. Zimmerman
President and Chief Executive Officer
Sandusky, Ohio

April 26, 2018

Your vote is important and we encourage you to vote promptly, even if you plan to attend the annual meeting. You may vote your units via a toll-free telephone number or over the Internet or you may sign, date and mail the proxy card in the envelope provided. If you attend the meeting, you may revoke the proxy and vote in person on all matters brought before the meeting.

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This summary highlights information contained elsewhere in this proxy statement. This summary is part of the proxy statement but does not contain all of the information that you should consider. Please carefully read the entire proxy statement before voting.

2018 Annual Meeting Information

Date and Time:	Thursday, June 7, 2018 at 9:00 A.M. EDT
Place:	The Westin Charlotte, 601 S. College Street, Charlotte, North Carolina
Record Date:	April 9, 2018
Voting:	Each holder of record of limited partner units as of the record date is entitled to cast one vote per unit on each of the proposals. We encourage you to vote promptly, even if you plan to attend the Annual Meeting. You may vote your units via a toll-free telephone number or over the Internet or you may sign, date and mail the proxy card in the envelope provided. More information on the voting process and requirements is available on pages 6-7.
Admission:	Attendees must present a personal form of identification, and if you hold units through a brokerage account, bank or other nominee, you must present a recent statement or other proof of ownership to be admitted.

Proposals and Board Recommendations

Proposal	Board Voting Recommendation	Page Reference (for more detail)
1. Elect Three (3) Class II Directors	FOR	<u>8</u>
2. Confirm appointment of Deloitte & Touche LLP as our independent registered public accounting firm	FOR	<u>12</u>
3. Advisory approval of compensation of our named executive officers	FOR	<u>13</u>

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2017 Financial and Operating Highlights

Last year was another outstanding year at Cedar Fair. We achieved our eighth consecutive year of record net revenues, up 3% from 2016 to \$1.32 billion in 2017. We had increases in core revenue metrics of attendance (up 2%) and in-park per capita spending (up 1%). We had solid out-of-park revenues of \$144 million, and we increased our annualized cash distribution⁽¹⁾ 4% to \$3.56 per limited partner unit for 2018. We also introduced a number of major attractions, including a new world-class roller coaster at Kings Island, Mystic Timbers, an expanded and newly themed water park at Cedar Point and an expanded water park at Knott’s Berry Farm, we extended the operating seasons at Carowinds, Worlds of Fun and Kings Island to include a new WinterFest holiday event, and we launched a new multi-year marketing campaign to position Cedar Point as a true regional resort destination, including the introduction of Cedar Point Sports Center.

(1) Calculated using the annualized distribution rate upon Board approval in October 2016 and October 2017.

Net revenues	Attendance	In-Park Per Capita Spending	Annualized Cash Distribution
\$1.32 billion	25.7 million	\$47.30	\$3.56
<i>Up 3% from 2016</i>	<i>Up 2% from 2016</i>	<i>Up 1% from 2016</i>	<i>Up 4% from 2016</i>

Board Overview and Governance Highlights

BOARD STRUCTURE	INDEPENDENCE	COMMITTEE COMPOSITION
9 Directors	All directors are independent	Board committees are composed
3 - Class I 3 - Class II 3 - Class III	other than our Executive Chairman	entirely of independent directors

TENURE AND AGE	GENDER DIVERSITY	UNIT OWNERSHIP
Average Tenure: 6.5 years	3 out of 9 directors are women	We have unit ownership guidelines for our CEO, his direct reports and our Directors.
Average Age: 57.7 years old		All of them are in compliance with those guidelines. ⁽²⁾

(2) Other than our new COO and SVP of human resources, who have time to gain compliance

KEY SKILLS & COMPETENCIES

- | | |
|---|---|
| <ul style="list-style-type: none"> * Leadership * CEO/executive management experience * Finance/accounting background and expertise * Other public company board experience | <ul style="list-style-type: none"> * Sales and marketing experience * Technology background * Investment banking, financial services and private equity experience * Industry experience - e.g., in the travel, leisure, hospitality, hotel, entertainment, retail and other consumer-facing industries |
|---|---|

* Strategic, operational, legal and risk oversight experience

The terms of three of the Directors expire at this annual meeting; see [Proposal One. Election of Directors](#) starting on page 8 and [Board Matters and Corporate Governance](#) starting on page 14 for more information. Information on our [Directors compensation and unit ownership](#) and [on related person transactions](#) is provided on pages 55-60.

Table of Contents**Director Nominees**

At this annual meeting, the Board is asking you to vote for each of the nominees listed below to serve as Directors of the general partner for three-year terms expiring at the annual meeting in 2021 and until their respective successors are duly elected and qualified. The Board believes that the attributes, skills and qualifications that Mr. Hanrahan, Ms. Shanahan and Ms. Smithart-Oglesby have developed through their extensive leadership experience across finance, hospitality, retail, travel, and consumer-facing industries, and their unique insights and perspectives make them exceptionally qualified to serve on the Board. The table below provides only select information about each nominee. Please see the section captioned Proposal One. Election of Directors starting on page 8 for detailed information about the background and qualifications of each Director nominee.

Name	Director		Occupation Highlights	Committee Membership				Other Public Company Boards
	Age	Since		I	A	C	NCG	
Daniel J. Hanrahan	60	2012	Consumer goods, retail, travel and hospitality executive with 30+ years experience					1
Lauri M. Shanahan	55	2012	Consumer goods and retail executive with 20+ years experience					2
Debra Smithart-Oglesby	63	2012	President, O&S Partners Food and retail executive with 30+ years experience	LI				1

A = Audit Committee

C = Compensation Committee

NCG = Nominating and Corporate Governance Committee

I = Independent Director

LI = Lead Independent Director

Continuing Directors

The table below provides select information about each of our Directors whose terms will continue following the annual meeting and who are not up for re-election this year. Please see the detailed information about the background and qualifications of each of these continuing Directors on pages 10-11.

Name	Age	Director		Occupation Highlights	Committee Membership				Other Public Company Boards
		Since			I	A	C	NCG	
<i>Class I Directors serving until 2019:</i>									
Eric L. Affeldt	60	2010		Entertainment and leisure executive with 30+ years experience					
John M. Scott, III	52	2010		Leisure and hospitality executive with 25+ years experience				CC	
D. Scott Olivet	55	2013		CEO, Renegade Brands and Operating Partner, Altamont Capital Partners					
<i>Class III Directors serving until 2020:</i>									

Gina D. France	59	2011	President and CEO, France Strategic Partners LLC	CC	2
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Matthew A. Ouimet	60	2011	Executive Chairman, Cedar Fair Management, Inc.		
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Tom Klein	55	2012	Global technology and travel executive with 25+ years experience	CC	1
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A = Audit Committee

C = Compensation
Committee

NCG = Nominating and Corporate Governance
Committee

I = Independent
Director

CC = Committee Chair

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Executive Compensation Highlights

Pay for Performance A majority of our named executive officer compensation is contingent on corporate performance. In 2017:

We produced another strong operating year, with record full-year net revenues, a strong fourth quarter performance and solid growth across our core revenue metrics, including attendance and in-park per capita spending (see 2017 Financial and Operating Highlights above).

We achieved these strong near term results while still creating value for our unitholders over the long-term, including the start of a multi-year marketing campaign to strengthen Cedar Point's position as a regional resort destination, continued expansion of our resort facilities, and the introduction of three new WinterFest events which further extends our operating season into November and December;

We celebrated 31 consecutive years of paying a distribution to our unitholders resulting in an average annual return of approximately 17% when taking into account distribution reinvestments; and

By delivering solid 2017 Adjusted EBITDA performance, we exceeded our three-year performance targets, which resulted in our executives earning maximum payouts under their long-term incentive awards.

2017 Compensation Updates We did not make significant changes to our executive compensation program in 2017.

Compensation Philosophy and Objectives

We seek to do the following:

Incentivize our key employees to drive superior results

Give key employees a proprietary and vested **interest in our growth and performance**

Align executive compensation with **unitholders' interests** by:

- Emphasizing performance-based compensation
- Directly tying compensation to Company performance
- Increasing insider equity ownership

Attract and retain exceptional managerial talent upon whom, in large measure, our sustained growth, progress and profitability depend

Reward both successful individual performance and consolidated operating results of the Company (with key performance metrics based on Adjusted EBITDA)

Compensation Elements and Mix Our program focuses on total direct compensation opportunities - i.e., the combination of base salary, annual cash incentive awards and long-term incentive compensation. See the Elements of 2017 Compensation section of our Compensation Discussion and Analysis for a detailed discussion of these and the other elements of our compensation program. We seek to balance our executives' compensation among the different elements and look to the relationship of cash and equity incentives to each executive's salary in setting pay. The mix and relative levels of the compensation elements is position dependent, may vary year-to-year, and is illustrated in the Compensation Mix sections.

Other Key Features

- Independent compensation consultant engaged by Compensation Committee
- Alignment with unitholder interests
- Anti-hedging policy for executive officers and directors
- Anti-pledging policy for executive officers and directors, including the prohibition of holding units in margin accounts
- Incentive compensation clawback provisions for CEO and his direct reports
- No tax gross-ups
- Annual compensation risk assessment

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Advisory Vote on Our Named Executive Officer Compensation

The Board is asking for your advisory approval of the compensation of our named executive officers. We provide this opportunity annually, and we anticipate holding the next unitholder advisory vote on the compensation of our named executive officers at our 2019 annual meeting.

As noted above, we did not make significant modifications to our executive compensation program in 2017. Our executive compensation decisions for 2017 continue to reflect our desire to recognize, incentivize and retain highly-qualified individuals, and to align executive compensation with unitholders' interests by emphasizing performance-based compensation, directly tying compensation to Company performance and increasing insider equity ownership. Each of our executive compensation decisions for 2017, including our decisions to increase base salaries for our executives, to enhance long-term and short-term performance-based incentive awards to certain of our named executive officers, and to continue to pay earned long-term incentive plan (LTIP) awards in units, were made to further demonstrate our commitment to these goals, as further explained in this proxy statement.

Please see Proposal Three. Advisory Vote on Our Named Executive Officer Compensation on page 13 and the detailed information regarding our named executive officer compensation in the Compensation Discussion and Analysis section and the executive compensation tables and related narratives included in this proxy statement on pages 17-54.

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THE ANNUAL MEETING

This proxy statement is furnished in connection with the solicitation of proxies from the limited partner unitholders of Cedar Fair, L.P. (the Partnership or the Company) by the Board of Directors of its general partner, Cedar Fair Management, Inc. (CFMI), for use at the annual meeting. We intend to mail a printed copy of this proxy statement and proxy card to our unitholders of record entitled to vote at the annual meeting on or about April 26, 2018.

Time and Place

The annual meeting will be held at The Westin Charlotte, 601 S. College Street, Charlotte, North Carolina on Thursday, June 7, 2018, at 9:00 a.m. (EDT). Attendees must present a personal form of identification, and if you hold units through a brokerage account, bank or other nominee, you must present a recent statement or other proof of ownership to be admitted.

Matters to be Considered

At the annual meeting, the limited partners will be asked to:

- elect three (3) Class II Directors of the general partner to serve for a three-year term expiring in 2021 from those nominees nominated in accordance with our Partnership Agreement;
- confirm the appointment of Deloitte & Touche LLP as our independent registered public accounting firm;
- approve, on an advisory basis, the compensation of our named executive officers; and
- vote on any other matters that may be properly raised at the annual meeting.

It is not anticipated that any other matters will be raised at the annual meeting.

Important Notice Regarding the Availability of Proxy Materials for the Unitholder Meeting

To Be Held on June 7, 2018

The proxy statement and our annual report on Form 10-K are available free of charge at <http://ir.cedarfair.com/financial-reports/Proxy-Information>.

Voting Process

You may vote in person at the annual meeting or through a proxy. However, even if you plan to attend the annual meeting in person, the Board urges you to submit your vote as soon as possible by mail, telephone or the Internet. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number. These procedures allow unitholders to appoint a proxy to vote their units and to confirm that their instructions have been properly recorded. Instructions for voting by telephone and over the Internet are included on the accompanying proxy card, which solicits proxies on behalf of the Board of CFMI. All of the Partnership units represented by proxies properly received prior to or at the annual meeting and not revoked will be voted in accordance with the instructions indicated in the proxies. If you own units directly and submit a proxy, on or as instructed in the accompanying form, but do not provide voting instructions on your proxy, the units represented by your proxy will be voted for the election as Class II Directors of the Board's nominees, Mr. Hanrahan, Ms. Shanahan and Ms. Smithart-Oglesby, in favor of each of Proposals 2 and 3, and in the discretion of the proxies upon such other business as may properly come before the meeting, in each case whether or not any other nominations are properly

made at the meeting.

If you hold units indirectly in a brokerage account or through a bank or other nominee, you are considered to be the beneficial owner of units held in street name and these proxy materials are being forwarded to you by your broker or nominee. As the beneficial owner, you have the right to direct your broker how to vote. Under New York Stock Exchange rules, unless you furnish specific voting instructions, your broker is not permitted to vote your units on the election of a director, or on the advisory vote on executive compensation. Your broker is permitted to vote your units on the appointment of our independent registered public accounting firm, even if you do not furnish voting instructions. If your units are held in street name, your broker or other nominee may have procedures that will permit you to vote by telephone or electronically through the Internet.

Any proxy given on the accompanying form or through the Internet or telephone may be revoked by the person giving it at any time before it is voted. Proxies may be revoked, or the votes reflected in the proxy changed, by submitting a properly executed later-dated proxy to our Corporate Secretary at One Cedar Point Drive, Sandusky, Ohio, 44870, before the vote is taken at the annual meeting or attending the annual meeting and voting in person. If your units are voted through your broker or other nominee, you must follow directions received from your broker or other nominee to change your voting instructions.

If you have more questions about the proposals or if you would like additional copies of this document you should call or write:

Morrow Sodali, LLC
470 West Avenue
Stamford, CT 06902
Please call: (203) 658-9380 or
Call toll free at: (800) 662-5200
Email: j.comer@morrowsodali.com
Web address: www.morrowsodali.com

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Record Date; Voting Rights; Quorum; Vote Required

CFMI has fixed the close of business on April 9, 2018 as the record date for unitholders entitled to notice of and to vote at the annual meeting. Only holders of record of units on the record date are entitled to notice of the annual meeting and to vote at the annual meeting. Each holder of record of limited partner units as of the record date is entitled to cast one vote per unit on each of the proposals. You may obtain directions on attending the annual meeting and voting in person by calling our Investor Relations Department at (419) 627-2233.

The presence in person or by proxy of holders of a majority of the units entitled to vote at the annual meeting will constitute a quorum for the transaction of any business. In case a quorum is not present, the meeting may be adjourned without notice other than an announcement at the time of the adjournment of the date, time and place of the adjourned meeting. The nominees receiving the greatest number of votes cast for the election of Directors by the units represented at the annual meeting in person or by proxy will be elected. The affirmative vote of a majority of the units represented at the annual meeting in person or by proxy is required to confirm the Audit Committee's appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2018. The advisory vote to approve the compensation of our named executive officers requires the affirmative vote of a majority of units represented in person or by proxy and voting at the annual meeting. This say-on-pay vote on Proposal 3 is advisory, and therefore not binding on the Company, the Compensation Committee or the Board. However, the Compensation Committee will consider the voting results when making future decisions regarding executive compensation as it deems appropriate.

Abstentions will be counted for purposes of establishing a quorum at the annual meeting, will be counted as votes cast and will have the effect of a vote against a proposal. Broker non-votes will be counted for purposes of establishing a quorum but will not be counted as votes cast.

As of April 9, 2018, there were approximately 56,416,016 units outstanding and entitled to vote at the annual meeting, held by approximately 5,300 holders of record. As of April 9, 2018, the Directors and executive officers of the general partner and their affiliates beneficially owned 1,194,673 units (which includes 365,377 vested options and deferred equity compensation), or approximately 2.0% of the total units outstanding on that date. See [Security Ownership of Certain Beneficial Owners and Management](#).

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PROPOSAL ONE. ELECTION OF DIRECTORS

The Board of Directors of CFMI currently is comprised of nine directors. The Directors are divided into three classes: Class I, Class II, and Class III, and each class consists of three Directors. The terms of the Directors in Class II expire at this annual meeting. Our current Class II Directors are Daniel J. Hanrahan, Lauri M. Shanahan and Debra Smithart-Oglesby.

At this meeting, Daniel J. Hanrahan, Lauri M. Shanahan and Debra Smithart-Oglesby are nominated by the Board for election as Class II Directors to serve for three-year terms expiring at the annual meeting in 2021 and until their respective successors are duly elected and qualified. The Nominating and Corporate Governance Committee has recommended, and the Board of Directors unanimously has approved, the nomination of Mr. Hanrahan, Ms. Shanahan and Ms. Smithart-Oglesby, to whom we refer in this proxy statement as the Board's nominees.

The Board believes that the attributes, skills and qualifications that Mr. Hanrahan, Ms. Shanahan and Ms. Smithart-Oglesby have developed through their extensive leadership experience across finance, hospitality, retail, travel, and consumer-facing industries, and their unique insights and perspectives make them exceptionally qualified to serve on the Board. Mr. Hanrahan, Ms. Shanahan and Ms. Smithart-Oglesby will qualify as independent directors under the NYSE rules and our Corporate Governance Guidelines.

Each nominee has agreed to stand for election and has consented to being named in this proxy statement and to serve if elected. While the Partnership has no reason to believe that any of its nominees will be unable or unwilling to serve as a Director at the time of the annual meeting, in the unlikely event that any of them does not stand for election, the Board may reduce the number of Directors standing for election, or the proxies may use the accompanying proxy to vote for a replacement nominee recommended by the Board, whether or not any other nominations are properly made at the meeting. The nominees who receive the greatest number of votes cast for the election of Directors at the annual meeting by the units present in person or by proxy and entitled to vote will be elected. Set forth below is biographical and other information about the Board's nominees and the continuing Directors, including information concerning the particular experience, qualifications, attributes and skills that led the Nominating and Corporate Governance Committee and the Board to determine that each should serve as a Director.

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The Board of Directors unanimously recommends a vote FOR these nominees.

Nominees recommended by the Board for election as Class II Directors to serve until 2021:

Daniel J. Hanrahan

Daniel J. Hanrahan, age 60, brings more than 30 years of experience, including a variety of sales and marketing, general manager, president and chief executi

Age: 60

Director since: 2012

**C o m m i t t e e
Memberships:**

Audit

Compensation