

Primo Water Corporation Board of Directors Audit Committee Charter

Purpose and Responsibilities

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Primo Water Corporation (the “Company”) is to assist the Board in fulfilling its oversight of: (i) the integrity of the Company’s financial statements; (ii) the effectiveness of the Company’s internal controls over financial reporting; (iii) the Company’s compliance with legal and regulatory requirements; (iv) the qualifications and independence of the Company’s registered public accounting firm (the “Independent Registered Public Accountants”); and (v) performance of the Company’s Independent Registered Public Accountants.

The Committee’s responsibility is one of oversight. The management of the Company is responsible for the preparation, presentation, and integrity of complete and accurate financial statements in accordance with generally accepted accounting principles in the United States and for maintaining appropriate accounting and financial reporting principles and policies and establishing and maintaining internal controls designed to assure compliance with accounting standards and applicable laws. The Independent Registered Public Accountants are responsible for planning and conducting in accordance with generally accepted auditing standards in the United States an audit of the Company’s annual financial statements and a review of the Company’s quarterly financial statements. The Committee recognizes that the financial management and the Independent Registered Public Accountants have more knowledge and information about the Company than do Committee members.

Membership

The Committee’s membership shall be determined by the Board, based on the recommendations from the Nominating and Corporate Governance Committee, and shall consist of at least three members who shall meet the applicable independence requirements of The NASDAQ Stock Market LLC (“Nasdaq”), and the requirements for audit committee service set forth in the Securities Exchange Act of 1934, (the “Act”), and the applicable rules and regulations of the Securities and Exchange Commission (the “SEC”), in each case as in effect from time to time. At least one member of the Committee shall be an “audit committee financial expert” as determined by the Board in compliance with criteria established by the SEC. The members of the Committee shall be subject to removal by the Board. The determination of any member’s qualification to serve on the Committee shall be made by the Board. Each member shall serve until his or her successor is duly appointed and qualified or until such member’s resignation or removal by a majority of the Board.

Powers and Duties

In addition to such other powers and duties as the Board may from time to time assign and those required by Nasdaq and the rules and regulations of the SEC, the Committee shall:

Financial Reporting and Disclosure

1. Review and discuss the quarterly financial statements, including Management’s Discussion and Analysis of Financial Condition and Results of Operations, with management and the Independent Registered Public Accountants prior to the filing of the Company’s Quarterly Report on Form 10-Q. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the Independent Registered Public

Accountants under the standards of the Public Company Accounting Oversight Board (PCAOB) (United States).

2. Review and discuss the annual audited financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations, with management and the Independent Registered Public Accountants prior to the filing of the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of Form 10-K). Also, the Committee shall discuss the results of the annual audit and any matters required to be communicated to the Committee by the Independent Registered Public Accountants under the standards of the PCAOB (United States).
3. Review management's report on its assessment of the effectiveness of internal controls over financial reporting as of the end of each fiscal year and the Independent Registered Public Accountants' report on the effectiveness of the Company's internal control over financial reporting.
4. Discuss with management and the Independent Registered Public Accountants management's process for assessing the effectiveness of internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, including any significant deficiencies or material weaknesses identified.
5. Discuss with the Independent Registered Public Accountants the characterization of any deficiencies in internal control over financial reporting and any differences between management's and the Independent Registered Public Accountants' assessments of such deficiencies. The Committee shall also discuss with management its remediation plan to address internal control deficiencies, if any. The Committee shall ensure that public disclosures describing any identified material weaknesses and management's remediation plans are clear and complete.
6. Discuss with management and the Independent Registered Public Accountants any (1) changes in internal control over financial reporting that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting that are required to be disclosed and (2) any other changes in internal control over financial reporting that were considered for disclosure in the Company's periodic filings with the SEC.
7. Discuss with management its process for performing its required quarterly certifications under Section 302 of the Sarbanes-Oxley Act.
8. Review with management and the Independent Registered Public Accountants the effect of regulatory and accounting initiatives on the Company's financial statements.
9. Review and discuss earnings press releases, financial information and earnings guidance provided to the public and to analysts and rating agencies.

Independent Registered Public Accountants

10. Appoint, retain, terminate, compensate and oversee the Independent Registered Public Accountants (including resolving any disagreement between management and the Independent Registered Public Accountants regarding financial reporting and internal control-related matters) for the purpose of preparing or issuing an audit report or performing other audit, review, or attest

services for the Company. The Independent Registered Public Accountants shall report directly to the Committee.

11. Review and pre-approve all audit and non-audit services provided by the Independent Registered Public Accountants. The Committee shall not engage the Independent Registered Public Accountants to perform non-audit services proscribed by law or regulation. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.
12. Obtain and review, prior to the completion of the annual audit, a report from the Independent Registered Public Accountants, describing (i) all critical accounting policies and practices to be used in the financial statements, (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Registered Public Accountants, and (iii) other material written communications between the Independent Registered Public Accountants and management, such as management letters, internal control letters or schedules of unadjusted differences.
13. Review with the Independent Registered Public Accountants any audit problems or difficulties encountered during the course of the audit work, including any restrictions on the scope of the Independent Registered Public Accountants' activities or access to requested information, and management's response. The Committee should review any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or otherwise); any communications between the audit team and the audit firm's national office respecting auditing or accounting issues or internal control-related issues presented by the engagement; and any "management" or "internal control" letter issued, or proposed to be issued, by the audit firm to the Company that is in addition to their audit report on the effectiveness of internal control over financial reporting.
14. Obtain and review, at least annually, a report from the Independent Registered Public Accountants describing: (i) the Independent Registered Public Accountants' internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the Independent Registered Public Accountants, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding any independent audits carried out by the Independent Registered Public Accountants, and any steps taken to deal with any such issues; and (iii) all relationships between the Independent Registered Public Accountants and the Company, including the matters set forth in Independence Standards Board Standard No. 1.
15. Review and evaluate the Independent Registered Public Accountants' qualifications, performance and independence, including reviewing the performance of the lead audit partner of the Independent Registered Public Accountants and assuring the regular rotation of the lead audit partner and the audit partner responsible for reviewing the audit as required by law.
16. Determine whether the Independent Registered Public Accountants have a process in place to address the rotation of the lead audit partner and other audit partners serving the account as required under the SEC independence rules.

17. As necessary, establish policies for the Company's hiring of employees or former employees of the Independent Registered Public Accountants who participated in any capacity in the audit of the Company.

Risk Management and Compliance

18. Review with management its policies and procedures for identifying, monitoring, evaluating and managing the key financial and other risk exposures of the Company, including strategic, operational, reporting and compliance risks.
19. Oversee the development of the Company's enterprise risk management policies and procedures, including identifying risk tolerances, risk roles and responsibilities, risk mitigation decisions and risk related assumptions.
20. Report regularly to the Board on the Company's risk management process.
21. Review the Company's compliance and ethics programs, including consideration of legal and regulatory requirements, and review with management its periodic evaluation of the effectiveness of such programs. The Committee shall review the Company's code of conduct and programs that management has established to monitor compliance with such code. The Committee shall receive any attorney reports of evidence of a material violation of securities laws or breaches of fiduciary duty by the Company or any officer or director of the Company.
22. Obtain reports periodically from management regarding legal and regulatory compliance and litigation matters.
23. Review with the Company's Chief Financial Officer any legal matters that may have a material impact on the consolidated financial statements and any material reports or inquiries received from regulators or governmental agencies regarding compliance.
24. Establish procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters. Discuss with management any significant complaints received.
25. Review and approve or ratify any transaction between the Company and a related person, which is required to be disclosed under the rules of the SEC. For purposes of this practice the terms "transaction" and "related person" have the meanings contained in Item 404 of Regulation S-K. In the course of its review and approval or ratification of a transaction, the Committee shall consider:
 - (a) the nature of the related person's interest in the transaction, including the actual or apparent conflict of interest of the related person;
 - (b) the material terms of the transaction and their commercial reasonableness;
 - (c) the significance of the transaction to the related person;
 - (d) the significance of the transaction to the Company and the benefit and perceived benefits, or lack thereof, to the Company;

- (e) opportunity costs of alternate transactions;
- (f) whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Company; and
- (g) any other matters the Committee deems appropriate.

Any Committee member who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting such approval or ratification, provided, however, that such director may be counted in determining the presence of a quorum at a meeting of the Committee which considers the transaction.

Miscellaneous

- 26. Meet separately on a periodic basis with management and with representatives of the Independent Registered Public Accountants.
- 27. Prepare the report of the Committee for inclusion in the Company's annual proxy statement.
- 28. Perform an evaluation of its performance at least annually to determine whether it is functioning effectively. The Committee also shall discuss with the Independent Registered Public Accountants their observations related to the effectiveness of the Committee.
- 29. Review and reassess this Charter at least annually and obtain the approval of the Board of Directors.
- 30. Determine the appropriate funding needed by the Committee for payment of: (1) compensation to the Independent Registered Public Accountants engaged for the purpose of preparing or issuing audit reports or performing other audit, review, or attest services for the Company; (2) compensation to any advisers employed by the Committee; and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Compensation

No member of the Committee may receive, directly or indirectly, any compensation from the Company other than (i) fees paid for service on the Board (including customary perquisites and other benefits that all directors receive), (ii) additional fees paid for service on a committee of the Board (including the Committee) or as the chairperson of any committee and (iii) a retirement or other deferred compensation for prior service that is not contingent on future service on the Board.

Structure and Operations

The Board shall designate one member of the Committee to act as the Committee's chair. The Committee shall meet at least four times a year at such times and places determined by the Committee chair, with further meetings to occur, or actions to be taken by written consent, when deemed necessary or desirable by the Committee or its chair. The Committee shall maintain minutes or other records of its meetings and shall give regular reports to the Board. Except as expressly provided in this Charter, the Company's Bylaws, any regulation required by law or the Nasdaq listing standards, the Committee shall set its own rules of procedure.

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