

COTT CORP /CN/  
Form PRE 14A  
March 07, 2014  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

**Cott Corporation**

(Name of registrant as specified in its charter)

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(Name of person(s) filing proxy statement, if other than the registrant)

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Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



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Cott Corporation  
6525 Viscount Road  
Mississauga, Ontario, Canada L4V1H6  
(905) 672-1900  
  
5519 West Idlewild Avenue  
Tampa, Florida, United States 33634  
(813) 313-1800

March 10, 2014

Dear Shareowners:

We are pleased to invite you to attend our annual and special meeting of shareowners, which will be held at the Hilton Toronto Airport Hotel and Suites, 5875 Airport Road, Toronto, Ontario, Canada at 8:30 a.m. (Toronto time) on Tuesday, May 6, 2014. At this meeting, you will have the opportunity to meet our directors and members of our senior management team, learn more about our Company and our plans for the future, and receive our financial results for the 2013 fiscal year.

The notice of meeting and circular that accompany this letter describe the business to be conducted at the meeting.

This year, we are pleased to furnish our proxy materials over the Internet in accordance with applicable law. As a result, we are mailing to many of our shareowners a notice instead of paper copies of our proxy circular, form of proxy and 2013 annual report. The notice contains instructions on how to access these materials over the Internet, as well as instructions on how shareowners can receive paper copies of these materials. Employing this distribution process will conserve natural resources and reduce the costs of printing and distributing these materials.

Even if you cannot attend the meeting, it is important that your shares be represented and voted by using the form of proxy provided. We encourage you to read the circular and vote as soon as possible. We look forward to your participation.

Sincerely,

JERRY FOWDEN

Chief Executive Officer

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**Cott Corporation**

**Notice of Annual and Special Meeting of Shareowners**

The Annual and Special Meeting of Shareowners of Cott Corporation ( **Cott** ) will be held

on: Tuesday, May 6, 2014

at: 8:30 a.m. (local time in Toronto)

at the: Hilton Toronto Airport Hotel and Suites, 5875 Airport Road, Toronto, Ontario, Canada

to: receive the financial statements for the year ended December 28, 2013 and the report on those statements by Cott's independent registered certified public accounting firm,

elect directors,

approve the appointment of Cott's independent registered certified public accounting firm,

hold a non-binding advisory vote on executive compensation,

approve an amendment to Cott's Second Amended and Restated By-Laws, which requires advance notice to Cott in certain circumstances where director nominations are made by Cott shareowners, and

transact any other business that properly may be brought before the meeting and any adjournment of the meeting.

By order of the board of directors

Marni Morgan Poe

Vice President, General Counsel and Secretary

Tampa, Florida, U.S.A.

March , 2014

**YOU ARE INVITED TO VOTE BY COMPLETING, DATING AND SIGNING THE FORM OF PROXY AND RETURNING IT BY MAIL OR BY FACSIMILE, OR BY FOLLOWING THE INSTRUCTIONS FOR VOTING OVER THE INTERNET IN THE PROXY CIRCULAR. A VOTE BY PROXY WILL BE COUNTED IF IT IS COMPLETED PROPERLY AND IS RECEIVED BY OUR TRANSFER AGENT NO LATER THAN 5:00 P.M. TORONTO TIME ON MAY 2, 2014 OR THE LAST BUSINESS DAY PRIOR TO ANY POSTPONED OR ADJOURNED MEETING OR IS OTHERWISE RECEIVED BY OUR SECRETARY, AS DESCRIBED HEREIN, PRIOR TO THE COMMENCEMENT OF THE MEETING OR ANY POSTPONED OR ADJOURNED MEETING. OUR TRANSFER AGENT'S MAILING ADDRESS IS COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO, CANADA, M5J 2Y1 AND FACSIMILE NUMBER IS 1-866-249-7775 or (416) 263-9524.**

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
ANNUAL AND SPECIAL MEETING OF SHAREOWNERS TO BE HELD ON MAY 6, 2014**

This communication is not a form for voting and presents only an overview of the more complete proxy materials, which are available on the Internet or by mail. We encourage you to access and review all of the important information contained in the proxy materials before voting.

Our proxy circular, form of proxy and 2013 annual report are available at our website ([www.cott.com/en/for-investors/overview](http://www.cott.com/en/for-investors/overview)), as well as our profile on SEDAR ([www.sedar.com](http://www.sedar.com)). Our proxy circular includes information on the following matters, among other things:

The date, time and location of the Annual and Special Meeting of Shareowners;

A list of the matters being submitted to the shareowners for approval; and

Information concerning voting in person at the Annual and Special Meeting of Shareowners.

If you want to receive a paper copy or e-mail of these documents, you must request one. There is no charge to you for requesting a copy. Please make your request for a copy to Computershare Investor Services by telephone at 1-800-564-6253 or contact Cott's Investor Relations Department directly at our principal executive office: Cott Corporation, 5519 W. Idlewild Ave., Tampa, FL 33634, telephone (813) 313-1777, email [InvestorRelations@cott.com](mailto:InvestorRelations@cott.com).

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## Cott Corporation

### Annual and Special Meeting of Shareowners

#### THIS BOOKLET EXPLAINS:

details of the matters to be voted upon at the meeting, and

how to exercise your right to vote even if you cannot attend the meeting.

#### THIS BOOKLET CONTAINS:

the notice of the meeting,

the proxy circular for the meeting, and

a proxy form that you may use to vote your shares without attending the meeting.

#### REGISTERED SHAREOWNERS

A form of proxy is enclosed with this booklet. This form may be used to vote your shares if you are unable to attend the meeting in person. Instructions on how to vote using this form are found starting on page 1 of this proxy circular.

#### NON-REGISTERED BENEFICIAL SHAREOWNERS

If your shares are held on your behalf or for your account by a broker, securities dealer, bank, trust company or other intermediary, you will not be able to vote unless you carefully follow the instructions provided by your intermediary.

**The accompanying circular and form of proxy are furnished in connection with the solicitation of proxies by or on behalf of management and the board of directors for use at the annual and special meeting of shareowners to be held on Tuesday, May 6, 2014 and any continuation of the meeting after an adjournment of such meeting.**

#### AVAILABILITY OF QUARTERLY FINANCIAL INFORMATION

If you are a shareowner and wish to receive (or continue to receive) our quarterly interim financial statements (and the related management discussion and analysis) by mail, you must complete and return the enclosed request form. If you do not do so, quarterly financial statements will not be sent to you. Financial results are announced by media release, and financial statements are available on our website at [www.cott.com](http://www.cott.com), on the SEDAR website maintained by the Canadian securities regulators at [www.sedar.com](http://www.sedar.com) and on the EDGAR website maintained by the United States Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).



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**Cott Corporation**

**Proxy Circular**

**GENERAL INFORMATION**

**This proxy circular is furnished in connection with the solicitation of proxies by or on behalf of management and the board of directors of Cott Corporation ( Cott or the Company ) for use at the annual and special meeting of shareowners that is to be held at the time and place, and for the purposes, described in the accompanying notice of the meeting and any continuation of the meeting after an adjournment of such meeting.**

We are first mailing or making available to shareowners this proxy circular, our 2013 annual report and related materials on or about March 17, 2014. All dollar amounts are in United States dollars unless otherwise stated. All information contained in this proxy circular is as of March 17, 2014, unless otherwise indicated. Our fiscal year ends on the Saturday closest to December 31 of each year. In this proxy circular, therefore, references to the year 2011 are to the fiscal year ended December 31, 2011, references to the year 2012 are to the fiscal year ended December 29, 2012, and references to the year 2013 are to the fiscal year ended December 28, 2013. As used herein, GAAP means United States generally accepted accounting principles.

**VOTING AT THE MEETING**

**Who Can Vote**

March 17, 2014 is the record date to determine shareowners who are entitled to receive notice of the meeting. Shareowners at the close of business on that date will be entitled to vote at the meeting. As of the record date, 1,000,000 common shares were outstanding. Each common share entitles the holder to one vote on all matters presented at the meeting.

**Voting By Registered Shareowners**

The following instructions are for registered shareowners only. **If you are a non-registered beneficial shareowner, please follow your intermediary's instructions on how to vote your shares.** See below under **Voting By Non-Registered Beneficial Shareowners.**

***Voting in Person***

Registered shareowners who attend the meeting may vote the shares registered in their name on resolutions put before the meeting. If you are a registered holder who will attend and vote in person at the meeting, you do not need to complete or return the form of proxy. Please register your attendance with the scrutineer, Computershare Investor Services Inc. ( **Computershare** ), upon your arrival at the meeting. Whether or not you plan to attend the annual and special meeting of shareowners, you are requested to complete and promptly return the enclosed proxy.

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### *Voting by Proxy*

If you are a registered shareowner but do not plan to attend the meeting in person, there are four ways that you can vote your proxy:

**Mail:** You may vote by completing, dating and signing the enclosed form of proxy and returning it to Computershare no later than 5:00 p.m. local time in Toronto on May 2, 2014, or the last business day prior to any postponed or adjourned meeting, by mail to 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2Y1 using the envelope provided.

**Fax:** You may vote by completing, dating and signing the enclosed form of proxy and faxing it to Computershare at 1-866-249-7775 (toll free within Canada and the United States) or 1-416-263-9524 (outside Canada and the United States) no later than 5:00 p.m. local time in Toronto on May 2, 2014 or the last business day prior to any postponed or adjourned meeting.

**Internet:** You may vote over the Internet by accessing [www.investorvote.com](http://www.investorvote.com) and following the proxy login and voting procedures described for the meeting. The enclosed form of proxy contains certain information required for the Internet voting process. Detailed voting instructions will then be conveyed electronically via the Internet to those who have completed the login procedure. You may vote (and revoke a previous vote) over the Internet at any time before 5:00 p.m. local time in Toronto on May 2, 2014 or the last business day prior to any postponed or adjourned meeting.

The Internet voting procedure, which complies with Canadian law, is designed to authenticate shareowners' identities, to allow shareowners to vote their shares and to confirm that shareowners' votes have been recorded properly. Shareowners voting via the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies that must be borne by the shareowners. Also, please be aware that Cott is not involved in the operation of the Internet voting procedure and cannot take responsibility for any access or Internet service interruptions that may occur or any inaccurate, erroneous or incomplete information that may appear.

**Other:** If you have not availed yourself of any of the foregoing voting procedures by 5:00 p.m. local time in Toronto on May 2, 2014 or the last business day prior to any postponed or adjourned meeting but still wish to vote by proxy, you may vote by (i) completing, dating and signing the enclosed form of proxy and faxing it to the attention of our Secretary at (813) 881-1923, or (ii) having the person you have chosen as your proxyholder deliver it in person to our Secretary, in each case so that it is received prior to the commencement of the meeting or any postponed or adjourned meeting.

### *What Is a Proxy?*

A proxy is a document that authorizes another person to attend the meeting and cast votes on behalf of a registered shareowner at the meeting. If you are a registered shareowner, you can use the accompanying proxy form. You may also use any other legal form of proxy.

### *How do You Appoint a Proxyholder?*

Your proxyholder is the person you appoint to cast your votes for you at the meeting. The persons named in the enclosed form of proxy are directors or officers of Cott. You may choose those individuals or any other person to be your proxyholder. Your proxyholder does not have to be a shareowner of Cott. If you want to authorize a director or officer of Cott who is named on the enclosed proxy form as your proxyholder, please leave the line near the top of the proxy form blank, as their names are pre-printed on the form. **If you want to authorize another person as your proxyholder, fill in that person's name in the blank space located near the top of the enclosed proxy form.**

Your proxy authorizes the proxyholder to vote and otherwise act for you at the meeting, including any continuation of the meeting if it is adjourned.

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### *How Will a Proxyholder Vote?*

If you mark on the proxy how you want to vote on a particular issue, your proxyholder must cast your votes as instructed. By checking WITHHOLD on the proxy form, you will be abstaining from voting.

**If you do NOT mark on the proxy how you want to vote on a particular matter, your proxyholder is entitled to vote your shares as he or she sees fit. If your proxy does not specify how to vote on any particular matter, and if you have authorized a director or officer of Cott to act as your proxyholder, your shares will be voted at the meeting:**

**FOR the election of the nominees named in this proxy circular as directors,**

**FOR the approval of the appointment of PricewaterhouseCoopers LLP as Cott's independent registered certified public accounting firm,**

**FOR the approval, on a non-binding advisory basis, of the compensation of the Company's named executive officers, as such information is disclosed in the Compensation Discussion and Analysis, the compensation tables and the accompanying narrative disclosure beginning on page 19 (commonly referred to as say-on-pay), and**

**FOR the approval of the Amendment to Cott Corporation's Second Amended and Restated By-Laws described under Approval of Amendment to Cott Corporation's Second Amended and Restated By-Laws beginning on page 63 of this proxy circular, in accordance with the resolution attached as Appendix A to this proxy circular on page A-1.**

For more information on these matters, please see **Election of Directors**, beginning on page 8 **Independent Registered Certified Public Accounting Firm Approval of Appointment of Independent Registered Certified Public Accounting Firm** on page 58, **Advisory Vote on Executive Compensation** on page 61, and **Approval of Amendment to Cott Corporation's Second Amended and Restated By-Laws** on page 63.

If any amendments are proposed to these matters, or if any other matters properly arise at the meeting, your proxyholder can generally vote your shares as he or she sees fit. The notice of the meeting sets out all the matters to be presented at the meeting that are known to management as of March 17, 2014.

### *How do You Revoke Your Proxy?*

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before the meeting by delivering to our Secretary a written notice of revocation or a duly executed proxy bearing a later date (or voting via the Internet at a later date) or by attending the meeting and voting in person. You may send a written notice to our Secretary to the following address: 5519 West Idlewild Avenue, Tampa, Florida U.S.A. 33634.

This revocation must be received by our Secretary before the meeting (or before the date of the reconvened meeting if it is adjourned), or in any other way permitted by law.

If you revoke your proxy and do not replace it with another form of proxy that is properly deposited, you may still vote shares registered in your name in person at the meeting.

### **Voting By Non-Registered Beneficial Shareowners**

If your common shares are not registered in your name but in the name of an intermediary (typically a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates), then you are a non-registered beneficial shareowner (as opposed to a registered shareowner). Copies of this document have been distributed to intermediaries who are required to deliver them to, and seek voting instructions from, our



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non-registered beneficial shareowners. Intermediaries often use a service company (such as Computershare or Broadridge Investor Communications ( **Broadridge** )) to forward meeting materials to beneficial shareowners. Cott intends to pay for intermediaries to deliver proxy-related materials and the request for voting instructions (Form 54-101F7) to objecting beneficial owners in accordance with National Instrument 54-101. If you are a non-registered beneficial shareowner, you can vote your common shares by proxy, by following the instructions your intermediary provides to you, through your intermediary or at the meeting. As a non-registered beneficial shareowner, while you are invited to attend the meeting, you will not be entitled to vote at the meeting unless you make the necessary arrangements with your intermediary to do so.

### ***Voting in Person***

A non-registered beneficial shareowner who received a voting instruction form from the intermediary and who wishes to attend and vote at the meeting in person (or have another person attend and vote on their behalf) should strike out the proxyholders named in the voting instruction form and insert the beneficial shareowner's (or such other person's) name in the blank space provided or follow the corresponding instructions provided by the intermediary.

### ***Voting by Proxy through Intermediary***

**Internet:** If your intermediary is registered with Computershare or Broadridge, both of which we have retained to manage beneficial shareowner Internet voting, you may vote over the Internet by following the proxy login and voting instructions on your voting instruction form.

**Through Intermediary:** A beneficial shareowner who does not vote via the Internet will be given a voting instruction form or other document by his or her intermediary that must be submitted by the beneficial shareowner in accordance with the instructions provided by the intermediary. In such case, you *cannot* use the Internet voting procedures described above and *must* follow the intermediary's instructions (which in some cases may allow the completion of the voting instruction form by telephone or on the intermediary's Internet website). Occasionally, a beneficial shareowner may be given a form of proxy that has been signed by the intermediary and is restricted to the number of shares owned by the beneficial shareowner but is otherwise not completed. This form of proxy does not need to be signed by the beneficial shareowner. In this case, you can complete the form of proxy and vote by mail or facsimile only in the same manner as described above under **Voting by Registered Shareowners Voting by Proxy** on page 2 of this proxy circular.

***In all cases, beneficial shareowners should carefully follow the instructions provided by the intermediary.***

Proxies returned by intermediaries as non-votes because the intermediary has not received instructions from the beneficial shareowner with respect to the voting of certain shares, or because under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such broker non-votes will, however, be counted in determining whether there is a quorum for the meeting. In addition to being able to submit to Cott or the intermediary, as applicable, a voting instruction form, beneficial shareowners are permitted to submit any other documents in writing that requests that the beneficial shareowner or a nominee thereof be appointed as a proxyholder.

### **Confidentiality of Vote**

Computershare counts and tabulates proxies in a manner that preserves the confidentiality of your votes. Proxies will not be submitted to management unless:

there is a proxy contest,

the proxy contains comments clearly intended for management, or

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it is necessary to determine a proxy's validity or to enable management and/or the board of directors to meet their legal obligations to shareowners or to discharge their legal duties to Cott.

### **Quorum**

The annual and special meeting requires a quorum, which for this meeting means:

at least two persons personally present, each being a shareowner entitled to vote at the meeting or a duly appointed proxy for an absent shareowner so entitled, and

persons owning or representing not less than a majority of the total number of our shares entitled to vote.

### **Vote Counting Rules**

All matters that are scheduled to be voted upon at the meeting, other than as set out below, are ordinary resolutions. Ordinary resolutions are passed by a simple majority of votes: if more than half of the votes that are cast are cast in favor, the resolution passes. Eleven directors nominated must be elected by ordinary resolution of the shareowners. Pursuant to Cott's Majority Voting and Director Resignation Policy, if a nominee in an uncontested election does not receive the vote of at least the majority of the votes cast (including votes for and votes withheld), such director is required to promptly tender his or her resignation from the board of directors. Cott's Majority Voting and Director Resignation Policy is described more particularly below under the heading **Majority Voting and Director Resignation Policy** on page 13 of this proxy circular.

The approval of Cott's independent registered certified public accounting firm and the approval of the Amendment to Cott's Second Amended and Restated By-Laws (the **By-Law Amendment**) must be approved by ordinary resolution of the shareowners. Due to the non-binding advisory nature of the matter to be voted upon in respect of the compensation of Cott's executive officers, there is no minimum vote requirement for the proposal. However, the matter will be considered to have passed with the affirmative vote of a majority of the votes cast by shareowners that are present or represented and entitled to vote at the meeting.

Proxies may be marked FOR, AGAINST or WITHHOLD/ABSTAIN. For purposes of the resolution to approve the By-Law Amendment, proxies may be marked FOR or AGAINST. Abstentions/withholding and broker non-votes are counted for purposes of establishing a quorum, but they are not counted as votes cast for or against a proposal.

### **Solicitation of Proxies**

The cost of soliciting proxies will be borne by Cott. In addition, Cott may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners. Proxies may also be solicited by certain of our directors, officers and employees, without additional compensation, personally or by telephone, telegram, letter or facsimile. We have hired MacKenzie Partners, Inc., a professional soliciting organization, to assist us in conducting bank and broker searches, distributing proxy solicitation materials and responding to information requests from shareowners with respect to the materials. For these services, MacKenzie Partners, Inc. will be paid a fee of \$12,000, plus limited reimbursement for out-of-pocket expenses.

### **Say-on-Pay and Say-on-Frequency Results**

At the 2013 annual and special meeting of shareowners, we solicited from our shareowners an advisory vote on the compensation of our named executive officers. The shareowners voted to approve, on an advisory basis, the compensation of our named executive officers, as such information is disclosed in the Compensation Discussion and Analysis, the compensation tables and the accompanying narrative disclosure, set forth in our



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2013 annual and special meeting proxy circular. The vote was 76,522,583 shares For (98.16% of the shares voted), 1,385,920 shares Against (1.78% of the shares voted), and 47,131 shares Withheld (0.06% of the shares voted).

The Human Resources and Compensation Committee of Cott's board of directors (the **Compensation Committee**) took into account the result of the shareowner vote in determining executive compensation policies and decisions since the 2013 annual and special meeting of shareowners. The Compensation Committee viewed the vote as an expression of the shareowners' general satisfaction with our current executive compensation programs. While the Compensation Committee considered the outcome of the advisory vote in determining to continue our executive compensation programs for fiscal 2014, decisions regarding incremental changes in individual compensation were made in consideration of the factors described in the Compensation Discussion and Analysis.

Consistent with our shareowners' preference expressed in voting at the 2011 annual meeting of shareowners, the board determined that an advisory vote on the compensation of our named executive officers will be conducted every year. The next advisory vote on the frequency of an advisory vote on executive compensation will take place at the 2017 annual meeting of shareowners.

### **Please Complete Your Proxy**

Our management, with the support of the board of directors, requests that you fill out your proxy to ensure your votes are cast at the meeting. **This solicitation of your proxy (your vote) is made on behalf of management and the board of directors.**

### **PROCEDURE FOR CONSIDERING SHAREOWNER PROPOSALS**

If you want to propose any matter for inclusion in our 2015 proxy circular, it must be received by our Vice President, General Counsel and Secretary no later than November 27, 2014 at Cott Corporation, 5519 West Idlewild Avenue, Tampa, Florida, U.S.A. 33634.

If shareowners confirm the By-Law Amendment as contemplated herein, the By-Law Amendment fixes a deadline by which shareowners must submit director nominations prior to any meeting of shareowners. In the case of annual meetings, advance notice must be delivered to Cott not less than 30 nor more than 60 days prior to the date of the annual meeting; provided, however, that if the annual meeting is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, advance notice may be made not later than the close of business on the 10th day following the date on which the public announcement of the date of the annual meeting is first made by Cott. In the case of a special meeting of shareowners (which is not also an annual meeting), advance notice must be delivered to Cott no later than the close of business on the 15th day following the day on which the public announcement of the date of the special meeting is first made by Cott. The By-Law Amendment also requires any shareowner making a director nomination to provide certain important information about its nominees with its advance notice. Only shareowners who comply with the requirements of the By-Law Amendment will be permitted to nominate directors to the board of directors unless the advance notice requirements of the By-Law Amendment are waived by the board of directors in its sole discretion. You are advised to review the By-Law Amendment, which contains additional requirements about advance notice of director nominations.

**Table of Contents****PRINCIPAL SHAREOWNERS**

We are not aware of any person who, as of March 17, 2014, beneficially owned or exercised control or direction, directly or indirectly, over more than 5% of our common shares except as set forth below:

| Name  | Nature of Ownership or |                  | Percentage of Class |
|---|------------------------|------------------|---------------------|
|   | Control                | Number of Shares |                     |
| FMR LLC <sup>(1)</sup>                        | Beneficial ownership   | 14,163,751       | 15.00%              |
| 245 Summer Street                             |                        |                  |                     |
| Boston, Massachusetts 02110                   |                        |                  |                     |
| Valinor Management, LLC <sup>(2)</sup>        | Beneficial ownership   | 7,041,546        | 7.46%               |
| 510 Madison Avenue, 25 <sup>th</sup> Floor    |                        |                  |                     |
| New York, New York 10022                      |                        |                  |                     |
| Levin Capital Strategies, L.P. <sup>(3)</sup> | Beneficial ownership   | 5,112,774        | 5.42%               |
| 595 Madison Avenue, 17 <sup>th</sup> Floor    |                        |                  |                     |
| New York, New York 10022                      |                        |                  |                     |

(1) Based solely on information reported in an amended Schedule 13G filed by FMR LLC ( FMR ) on February 14, 2014 with the United States Securities and Exchange Commission (the SEC ). As reported in such filing, Fidelity Management & Research Company ( Fidelity ), a wholly-owned subsidiary of FMR and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 12,880,072 shares, or 13.641% of the shares outstanding as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940 owning such shares (the Fidelity Funds ). Edward C. Johnson 3d, as Chairman of FMR, and FMR, through its control of Fidelity, and the Fidelity Funds each has sole power to dispose of the 12,880,072 shares owned by the Fidelity Funds. Members of the family of Mr. Johnson (the Johnson Family ), are the predominant owners, directly or through trusts, of Series B voting common shares of FMR, representing 49% of the voting power of FMR. The Johnson Family and all other Series B shareowners have entered into a shareowners voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareowners voting agreement, members of the Johnson Family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR. Neither Mr. Johnson nor FMR has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Fidelity Funds Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Fidelity Funds Boards of Trustees. Pyramis Global Advisors Trust Company ( PGATC ), an indirect wholly-owned subsidiary of FMR and a bank as defined in Section 3(a)(6) of the Securities Exchange Act of 1934, is the beneficial owner of 1,283,679 shares or 1.359% of the shares outstanding as a result of its serving as investment manager of institutional accounts owning such shares. Mr. Johnson and FMR, through its control of PGATC, each has sole dispositive power over 1,283,679 shares and sole power to vote or to direct the voting of 1,187,179 shares owned by the institutional accounts managed by PGATC as reported above.

(2) Based solely on information reported in an amended Schedule 13G filed by Valinor Management, LLC ( Valinor ) on February 14, 2014 with the SEC. As reported in such filing, Valinor and David Gallo have shared voting power and shared dispositive power with respect to 7,041,546 shares, constituting approximately 7.46% of the shares outstanding, and Valinor Capital Partners Offshore Master Fund, L.P. has shared voting power and shared dispositive power with respect to 4,657,540 shares, constituting approximately 4.93% of the shares outstanding. Mr. Gallo disclaims beneficial ownership of the shares owned in the aggregate by the other members of the group, except to the extent of his pecuniary interest therein.

(3) Based solely on information reported in an amended Schedule 13G filed by Levin Capital Strategies, L.P. ( Levin Capital ) on January 31, 2014 with the SEC. As reported in such filing, Levin Capital is the beneficial owner of 5,122,744 shares, constituting approximately 5.4% of the shares outstanding, with sole voting power and sold dispositive power with respect to 264,862 shares, shared voting power with respect to 3,759,292 shares, and shared dispositive power with respect to 4,138,435 shares.



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**FINANCIAL STATEMENTS**

At the meeting, we will submit Cott's annual consolidated financial statements for the year ended December 28, 2013, and the related report of Cott's independent registered certified public accounting firm to you. No vote will be taken regarding the financial statements.

**ELECTION OF DIRECTORS**

The Corporate Governance Committee of the board of directors (the **Corporate Governance Committee**) reviews annually the qualifications of persons proposed for election to the board and submits its recommendations to the board for consideration. In the opinion of the Corporate Governance Committee and the board, each of the 11 nominees for election as a director is well qualified to act as a director of Cott and, together, the nominees bring the mix of independence, diversity, expertise and experience necessary for the board and its committees to function effectively. Our approach to corporate governance and the roles of the board and its committees are described under **Corporate Governance** on page 51 of this proxy circular.

During 2013, the board of directors held six meetings. Each of our incumbent directors who served in 2013 attended, in person or by telephone, 75% or more of the applicable meetings of the board of directors and committees on which they served in 2013.

Set forth below is certain information concerning our nominees for election as directors of Cott, including information regarding each person's service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Corporate Governance Committee and the board of directors to determine that the person should serve as a director of Cott. Because Cott is a Canadian corporation, we are required to have at least 25% of our directors be Canadian residents. The directors who are Canadian residents are identified below.

The board has considered the independence of each of the nominees for election as directors of Cott for purposes of the rules of the SEC, New York Stock Exchange ( **NYSE** ) and, where applicable, National Instrument 58-101 Disclosure of Corporate Governance Practices ( **NI 58-101** ) of the Canadian Securities Administrators. All nominees are independent except for Mr. Fowden, our Chief Executive Officer. See **Certain Relationships and Related Transactions** on page 17 of this proxy circular for further discussion of the board's determinations as to independence.

**Nominee**

**Mark Benadiba**, 61, of Toronto, Ontario, Canada, served as executive Vice-President, North American Operations, of Cott Corporation from 1996 until 2006. Mr. Benadiba held several roles during his tenure at Cott from 1990 through 2006, including Executive Vice President and Chief Executive Officer of Cott Canada from 1990 to 1998. Previously, Mr. Benadiba was a Senior Executive of Pepsi/Seven-Up, Toronto/Canada (a division of Seven-Up Canada Inc.). He has served on Cott's board since June 2008. The board nominated Mr. Benadiba to be a director because of his management experience in, and extensive knowledge of, the beverage industry. The board believes Mr. Benadiba's experience in the beverage industry, including the various positions he held within Cott, enable him to make valuable contributions to the board. Mr. Benadiba is a Canadian resident.

**Committee Membership**

Corporate Governance Committee

**Table of Contents****Nominee**

**George A. Burnett**, 58, of Scottsdale, Arizona, U.S.A., is the President and Chief Executive Officer of Northcentral University and a director of Northcentral University Holdings, LLC. Previously, Mr. Burnett served as Chief Executive Officer of Alta Colleges, Inc. from August 2006 to September 2011. Mr. Burnett was Chairman of R.H. Donnelley, a Yellow Pages publisher, in 2006 and Chief Executive Officer of Dex Media, Inc. from 2001 to 2005. Mr. Burnett has served on Cott's board since June 2006. The board nominated Mr. Burnett to be a director because it believes his senior level experience with multinational public companies lends valuable executive and financial expertise to the board.

**Jerry Fowden**, 57, of Tampa, Florida, U.S.A., was appointed as our Chief Executive Officer on February 18, 2009. Prior to this appointment, he served as President of Cott's international operating segments and Interim President, North America from May 2008 to February 2009, and as Interim President of Cott's United Kingdom business unit from September 2007 to May 2008. He served as Chief Executive Officer of Trader Media Group Ltd., a media company, and as a member of its parent Guardian Media Group plc's board of directors from 2005 until 2007. From 2001 until 2004, he served in a variety of roles with ABInBev S.A. Belgium, an alcoholic beverage company, including President, European Zone, Western, Central and Eastern Europe from 2003 to 2004, Global Chief Operating Officer from 2002 to 2003 and Chief Executive Officer of Bass Brewers Ltd., a subsidiary of ABInBev S.A. Belgium, from 2001 to 2002. Mr. Fowden also served on the board of directors of Chesapeake Corporation (now known as Canal Corporation), a supplier of specialty paperboard packaging products, when it filed a voluntary Chapter 11 petition in the United States on December 29, 2008. He served as a director of such company until May 2009. In 2010, Mr. Fowden joined the board of directors of Constellation Brands, Inc., a premium wine company. Mr. Fowden has served on Cott's board since March 2009. The board nominated Mr. Fowden to be a director because he is Cott's Chief Executive Officer, and has held operational management positions within Cott in North America and Europe. Under Mr. Fowden's leadership, Cott has focused its resources and investments, streamlined operations and cut costs, and broadened its product portfolio.

**David T. Gibbons**, 70, of Naples, Florida, U.S.A., was Cott's Interim Chief Executive Officer from March 2008 to February 2009. Prior to joining Cott, he was President and Chief Executive Officer of Perrigo Company, a manufacturer of retailer brand over-the-counter pharmaceutical and nutritional products, from 2000 to 2006, and from 2003 to 2007, he also held the role of Chairman of that company. Mr. Gibbons currently serves on the board of directors of Perrigo and has served on the board of directors of Robbins & Myers, Inc., a manufacturer of fluid management products. He has served on Cott's board since April 2007, and is currently the Chairman of the Board. The board nominated Mr. Gibbons to be a director because he has an extensive consumer products background, with leadership experience in strategic planning, sales and marketing, operational improvements and international operations, as well as extensive board and corporate governance experience from serving as a director and committee member on public, private and non-profit boards.

**Committee Membership**  
Audit Committee

Chairman of the Board;  
Corporate Governance Committee

**Table of Contents****Nominee**

**Stephen H. Halperin**, 64, of Toronto, Ontario, Canada, is a partner at the law firm of Goodmans LLP and a member of that firm's Executive Committee. He has been a partner with Goodmans since 1987 and a member of the Executive Committee since 1993. He also serves as a director of Gluskin Sheff + Associates, Inc., a Toronto Stock Exchange listed wealth management company. Mr. Halperin served on the board of trustees of KCP Income Fund, a custom manufacturer of national brand and retailer brand consumer products. He has served on Cott's board since 1992. The board nominated Mr. Halperin to be a director because he is an expert in Canadian corporate law, with over 30 years of experience counseling boards and senior management regarding corporate governance, compliance, disclosure, international business conduct, capital markets, corporate strategy and other relevant issues. Mr. Halperin is a Canadian resident.

**Betty Jane (BJ) Hess**, 65, of Hingham, Massachusetts, U.S.A., was Senior Vice President, Office of the President, of Arrow Electronics, Inc., an electronics distributor, for five years prior to her retirement in 2004. Ms. Hess currently serves on the board of Harvest Power, a firm specializing in the management of organic waste. Ms. Hess served on the board of directors of the ServiceMaster Company, a company providing lawn care, landscape maintenance, and other cleaning, repair and inspection services. She has served on Cott's board since 2004. The board nominated Ms. Hess to be a director because it believes that her executive experience, leadership and communication skills are valuable assets to the board.

**Gregory Monahan**, 40, of Darien, Connecticut, U.S.A., has been a Managing Director of Crescendo Partners, L.P., a New York-based investment firm, since December 2008 and has held various positions at Crescendo Partners since May 2005. Prior to Mr. Monahan's time with Crescendo Partners, he was the founder of Bind Network Solutions, a consulting firm focused on network infrastructure and security. Mr. Monahan also serves on the board of directors of Absolute Software Corp., a leader in firmware-embedded endpoint security and management for computers and ultra-portable devices. He also serves on the board of directors of COM DEV International Ltd., a supplier of space equipment and services, and SAExploration Holdings Inc., a seismic data services company. He previously served on the board of Bridgewater Systems, a telecommunications software provider, and O'Charley's Inc., a multi-concept restaurant company. Mr. Monahan has served on Cott's board since June 2008. The board nominated Mr. Monahan to be a director because it believes he possesses valuable financial expertise, including extensive expertise with capital markets transactions and investments in both public and private companies. He has served in managing roles in investment and technology consulting firms, which experience informs his judgment and risk assessment as a board member.

**Committee Membership**

Human Resources and  
Compensation Committee

Audit Committee

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**Nominee**

**Mario Pilozzi**, 67, of Oakville, Ontario, Canada, was, until January 2008, President and CEO of Wal-Mart Canada. He joined Wal-Mart Canada in 1994 as Vice-President of Hardline Merchandise and was promoted to Senior Vice-President of Merchandise and Sales, and later Chief Operating Officer, before serving as President and CEO. Prior to joining Wal-Mart Canada, Mr. Pilozzi held a broad range of positions with Woolworth Canada spanning more than 30 years, including the positions of Vice-President of Hardline Merchandise, Administrator of Store Openings, District Manager, Store Manager and several other key roles in Woolworth's variety and discount-store divisions. Mr. Pilozzi serves on the board of directors of Protenergy Natural Foods Corp., a manufacturer of natural food products. Mr. Pilozzi has served on Cott's board since June 2008. The board nominated Mr. Pilozzi to be a director because he has extensive executive experience with two well-known, multinational corporations and understands the retail sales business of our retailer partners. Mr. Pilozzi is a Canadian resident.

**Andrew Prozes**, 68, of Greenwich, Connecticut, U.S.A., was Global Chief Executive Officer of LexisNexis Group, a provider of legal and risk management solutions and information in New York City, from 2000 to December 2010. Mr. Prozes served on the board of directors of Reed Elsevier plc and Reed Elsevier NV, parent entities to LexisNexis, until his retirement from LexisNexis Group. Mr. Prozes also served as a director on the boards of Transunion LLC, Asset International Inc., Interactive Data Corporation, Alert Global Media, Inc., Scribestar Ltd., Quality Solicitors Organisation Ltd., Ethoca Limited and a number of other for-profit and not-for-profit boards. He has served on Cott's board since January 2005. The board nominated Mr. Prozes to be a director because it believes he possesses valuable executive and financial expertise that makes him an asset to the board. Cott benefits from Mr. Prozes's experience as an executive officer and director of large, international companies.

**Committee Membership**  
Human Resources and

Compensation Committee

Corporate Governance Committee;

Chair, Human Resources and  
Compensation Committee

**Table of Contents**

**Nominee**

**Eric Rosenfeld**, 56, of New York, New York, U.S.A., has been the President and Chief Executive Officer of Crescendo Partners, L.P., a New York based investment firm, since its formation in November 1998. Prior to forming Crescendo Partners, he held the position of Managing Director at CIBC Oppenheimer and its predecessor company Oppenheimer & Co., Inc. for 14 years. Mr. Rosenfeld currently serves as a director for Primoris Services Corporation, a specialty construction company, CPI Aerostructures Inc., a company engaged in the contract production of structural aircraft parts, for which he also serves as Chairman, Absolute Software Corp., a leader in firmware-embedded endpoint security and management for computers and ultraportable devices, SAExploration Holdings Inc., a seismic data services company and Quartet Merger Corp., a blank-check company, for which he serves as Chairman and CEO. Mr. Rosenfeld has also served as a director for numerous companies, including Arpeggio Acquisition Corporation, Rhapsody Acquisition Corporation and Trio Merger Corp., all blank check corporations that later merged with Hill International, Primoris Services Corporation and SAExploration Holdings Inc., respectively. He also served on the board a directors of Sierra Systems Group Inc., an information technology, management consulting and systems integration firm, Emergis Inc., an electronic commerce company, Hill International, a construction management firm, Matrikon Inc., a company that provides industrial intelligence solutions, DALSA Corp., a digital imaging and semiconductor firm, GEAC Computer, a software company, and Computer Horizons Corp., an IT services company. Mr. Rosenfeld was a director of Hip Interactive Corp. in 2005 while a cease trade order was issued because the company did not file its year-end financial information. Mr. Rosenfeld then resigned from the board. An interim receiver was later appointed. Mr. Rosenfeld has served on Cott's board since June 2008 and is our Lead Independent Director. The board nominated Mr. Rosenfeld to be a director because he has extensive experience serving on the boards of multinational public companies and in capital markets and mergers and acquisitions transactions. Mr. Rosenfeld also has valuable experience in the operation of a worldwide business faced with a myriad of international business issues. Mr. Rosenfeld's leadership and consensus-building skills, together with his experience as senior independent director of all boards on which he currently serves, make him an effective Lead Independent Director for the board.

**Committee Membership**  
Chair, Corporate

Governance Committee



**Table of Contents****Nominee**

**Graham Savage**, 64, of Toronto, Ontario, Canada, is a corporate director. Between 2002 and 2007, Mr. Savage served as the Chairman of Callisto Capital L.P., a Toronto-based private equity firm. Prior to this, since 1998, Mr. Savage was Managing Director at Savage Walker Capital Inc., Callisto Capital L.P.'s predecessor. Between 1975 and 1996, Mr. Savage was with Rogers Communications Inc. in various positions culminating in being appointed the Senior Vice President, Finance and Chief Financial Officer, a position he held for seven years. In addition, Mr. Savage serves on the boards of Canadian Tire Corporation, Postmedia Network Canada Corp. and Whistler Blackcomb Holdings Inc. He has also served on the boards of Rogers Communications Inc., Hollinger International, Inc., Alias Corp., Lions Gate Entertainment Corp. and Royal Group Technologies Limited, among others. Mr. Savage was a director of Microcell Inc., a telecommunications provider, when it filed for bankruptcy protection in Canada in 2003. He served as a director of Microcell Inc. until 2005. Mr. Savage has served on Cott's board since February 2008. The board nominated Mr. Savage to be a director because of his financial expertise, including expertise in the area of private equity. He is our audit committee financial expert and has served as Chief Financial Officer of a large public company. Mr. Savage also has board and committee experience at both public and private companies, and his extensive executive experience brings strong financial and operational expertise to the board. Mr. Savage is a Canadian resident.

**Committee Membership**  
Chair, Audit Committee

It is intended that each director will hold office until the close of business of the 2015 annual meeting or until his or her earlier resignation, retirement or death. Cott does not have a retirement policy for its directors.

Unless otherwise instructed, the persons named in the accompanying form of proxy intend to vote FOR the election to the board of directors of the 11 nominees who are identified above. Management and the board of directors do not contemplate that any of the nominees will be unable to serve as a director. If, for any reason at the time of the meeting, any of the nominees are unable to serve, then the persons named in the accompanying form of proxy will, unless otherwise instructed, vote at their discretion for a substitute nominee or nominees.

**Majority Voting and Director Resignation Policy**

Pursuant to Cott's Majority Voting and Director Resignation Policy, if a nominee in an uncontested election does not receive the vote of at least the majority of the votes cast, the director is required to promptly tender his or her resignation from the board of directors to the Corporate Governance Committee. Following receipt of a resignation, the Corporate Governance Committee must consider whether or not to accept the offer of resignation and recommend to the board of directors whether or not to accept it. With the exception of special circumstances that would warrant the continued service of the applicable director on the board of directors, the Corporate Governance Committee is expected to accept and recommend acceptance of the resignation by the board of directors. In considering whether or not to accept the resignation, the Corporate Governance Committee may consider factors provided as guidance by the Toronto Stock Exchange and all factors deemed relevant by members of the Corporate Governance Committee including, without limitation, the stated reasons why shareowners withheld votes from the election of that nominee, the length of service and the qualifications of the director whose resignation has been submitted, such director's contributions to Cott, Cott's governance guidelines and Cott's obligations under applicable laws. The board of directors must make its decision on the Corporate Governance Committee's recommendation promptly following the meeting of Cott's shareowners. In considering the Corporate Governance Committee's recommendation, the board will consider the factors considered by the Corporate Governance Committee and such additional information and factors that the board

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of directors considers to be relevant. If a resignation is accepted in accordance with this policy, the board of directors may in accordance with the provisions of Cott's articles and by-laws appoint a new director to fill any vacancy created by the resignation or reduce the size of the board of directors.

**COMPENSATION OF DIRECTORS**

We use a combination of cash and stock-based compensation to attract and retain qualified candidates to serve on the board. We set director compensation at a level that reflects the significant amount of time and high skill level required of directors in performing their duties for Cott and for its shareowners.

In 2013, other than Jerry Fowden, our Chief Executive Officer, no employees served as directors. Mr. Fowden's compensation during 2013 has been fully reflected in the Summary Compensation Table on page 36 of this proxy circular. We provided the following annual compensation to our non-employee directors in 2013:

| Name                            | Fees Earned or                      |                                     |
|---------------------------------|-------------------------------------|-------------------------------------|
|                                 | Paid in Cash<br>(\$) <sup>(2)</sup> | Stock Awards<br>(\$) <sup>(3)</sup> |
| Mark Benadiba <sup>(1)</sup>    | 81,000                              | 81,000                              |
| George Burnett                  | 81,000                              | 81,000                              |
| David Gibbons                   | 181,000                             | 81,000                              |
| Stephen Halperin <sup>(1)</sup> | 81,000                              | 81,000                              |
| Betty Jane Hess                 | 81,000                              | 81,000                              |
| Gregory Monahan                 | 81,000                              | 81,000                              |
| Mario Pilozzi <sup>(1)</sup>    | 81,000                              | 81,000                              |
| Andrew Prozes                   | 96,000                              | 81,000                              |
| Eric Rosenfeld                  | 121,000                             | 81,000                              |
| Graham Savage <sup>(1)</sup>    | 98,500                              | 81,000                              |

(1) Messrs. Benadiba, Halperin, Pilozzi and Savage are compensated in Canadian dollars. The amounts paid to such individuals are converted from the U.S. dollar amounts listed above to Canadian dollar amounts at the U.S. to Canadian conversion rate in effect at the time of payment.

(2) Non-employee directors are also reimbursed for certain business expenses, including travel expenses, in connection with board and committee meeting attendance. These amounts are not included in the above table.

(3) Represents common shares issued in payment of the annual director long-term incentive fee for non-employee directors pursuant to the Company's Amended and Restated Cott Corporation Equity Incentive Plan. No stock options were granted to directors in 2013. Options held by our directors are governed by our Restated 1986 Common Share Option Plan, as amended. The total number of common shares that may be acquired upon exercise of outstanding stock options held by our directors on December 28, 2013 was as follows: Mr. Burnett, 25,000; Mr. Gibbons, 25,000; Mr. Monahan, 25,000; Mr. Pilozzi, 25,000; and Mr. Rosenfeld, 25,000.

**Directors' Compensation Schedule**

The compensation of directors is considered in light of the overall governance structure of Cott. Compensation for directors is recommended to the board by the Compensation Committee and is approved by the independent directors. Director compensation is set solely on an annual fee basis (paid quarterly in arrears) and per-meeting attendance fees are not paid. Directors are not separately compensated for service on board committees in roles other than the committee chair.

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During 2013, directors of Cott were entitled to the following annual fees:

| <b>Category</b>                                     | <b>Annual Fees</b> |
|---|--------------------|
| Annual board retainer                               | \$ 81,000          |
| Annual fee for the non-executive chair of the board | \$ 100,000         |
| Annual fee for chairing the:                        |                    |
| Audit Committee                                     | \$ 17,500          |
| Compensation Committee                              | \$ 15,000          |
| Corporate Governance Committee                      | \$ 10,000          |
| Annual fee for the lead independent director        | \$ 30,000          |
| Annual long-term equity incentive fee (stock award) | \$ 81,000          |

The amounts listed in the table above are denominated in U.S. dollars. U.S. resident directors receive their applicable retainers in U.S. dollar amounts, while Canadian resident directors receive their applicable retainers in Canadian dollar amounts. Directors are also reimbursed for certain business expenses, including their travel expenses in connection with board and committee meeting attendance.

**Share Ownership Requirements for Board Members**

The board of directors has adopted minimum share ownership requirements for non-management directors. Under the requirements, each such director must own common shares having a minimum aggregate value equal to four (4) times his or her annual board retainer fee (excluding additional committee or chairman retainers). The Compensation Committee or the board of directors may, from time to time, reevaluate and revise these guidelines to give effect to changes in Cott's common share price or capitalization. The value of shares owned by each director as calculated under the guidelines, and compliance with the share ownership requirements, is measured on December 31<sup>st</sup> of each year. Directors are not required to attain the minimum ownership level by a particular deadline. However, until the guideline amount is achieved, such directors are required to retain an amount equal to 100% of net shares received as equity compensation. Net shares are defined as those shares that remain after shares are sold or netted to pay the exercise price of stock options (if applicable) and taxes payable upon the grant of a stock payment or the vesting of restricted stock, restricted stock units, performance shares, or performance share units or the exercise of stock options or stock appreciation rights. Failure to meet or to show sustained progress toward meeting the guidelines may be a factor considered by the Compensation Committee in determining future long-term incentive equity grants to such directors. Shares purchased on the open market may be sold in compliance with Cott's policies and applicable securities law. These requirements are designed to ensure that directors' long-term interests are closely aligned with those of our shareowners.

Due to an increase in the amount of the board retainer fee and changes to Cott's common share price, the minimum value provided for in the guidelines increased. All but one director met this increased threshold as of December 28, 2013.

**Table of Contents****SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT****Security Ownership**

The following table and the notes that follow show the number of our common shares beneficially owned as of March 17, 2014 by each of our directors and the individuals named in the Summary Compensation Table, as well as by our current directors and executive officers as a group.

| Name   | Common Shares<br>Beneficially Owned,<br>Controlled or Directed <sup>(1)</sup> | Options<br>Exercisable<br>within<br>60 days | Total     | Common<br>Shares<br>Percentage of Class <sup>(2)</sup> |
|--|---|---|-----------|--|
| Mark Benadiba  | 35,320  |   | 35,320    | *  |
| George Burnett   | 58,970  | 25,000                                      | 83,970    | *  |
| David Gibbons  | 104,428   | 25,000                                      | 129,428   | *  |
| Stephen Halperin   | 87,992  |   | 87,992    | *  |
| Betty Jane Hess  | 65,567  |   | 65,567    | *  |
| Gregory Monahan  | 53,818  | 25,000                                      | 78,818    | *  |
| Mario Pilozzi  | 70,071  | 25,000                                      | 95,071    | *  |
| Andrew Prozes  | 55,048  |   | 55,048    | *  |
| Eric Rosenfeld   | 472,046   | 25,000                                      | 497,046   | *  |
| Graham Savage  | 51,857  |   | 51,857    | *  |
| Jerry Fowden <sup>(3)</sup>  | 419,942   |   | 419,942   | *  |
| Jay Wells <sup>(3)</sup>   |   |   |           | *  |
| Steven Kitching <sup>(3)</sup>   | 68,339  |   | 68,339    | *  |
| Marni Poe <sup>(3)</sup>   | 50,343  |   | 50,343    | *  |
| Carlos Baila <sup>(3)</sup>  |   |   |           | *  |
| Directors and executive officers as a group (consisting of 17 persons, including the directors and executive officers named above) | 1,678,047 <sup>(2)</sup>  | 125,000                                     | 1,803,047 | 1.91%  |

\* Less than 1%

(1) Each director and officer has provided the information on shares beneficially owned, controlled or directed. The shareowners named in this table have sole voting and investment power over all shares shown as beneficially owned by them.

(2) Percentage of class is based on ##### shares outstanding as of March 17, 2014.

(3) Amounts reported in the above table do not include unvested time-based restricted share units included in the amount of securities beneficially owned by such person as reported on Form 4.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Our directors and executive officers and any beneficial owner of more than 10% of our common shares, as well as certain affiliates of those persons, must file reports with the SEC showing the number of common shares they beneficially own and any changes in their beneficial ownership. Based on our review of these reports and written representations of our directors and executive officers, we believe that all required reports in 2013 were filed in a timely manner.

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**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

The board has determined that ten of the nominees for director, Mark Benadiba, George A. Burnett, David T. Gibbons, Stephen Halperin, Betty Jane Hess, Gregory Monahan, Mario Pillozzi, Andrew Prozes, Eric Rosenfeld and Graham W. Savage, are independent within the meaning of the rules of the SEC, NYSE and NI 58-101. A director is independent in accordance with the rules of the SEC, NYSE and NI 58-101 if the board affirmatively determines that such director has no material relationship with us (either directly or as a partner, shareowner or officer of an organization that has a relationship with us).

With respect to Mr. Halperin, the board of directors considered Mr. Halperin's position as a partner of Goodmans LLP, a law firm that provides services to Cott on a regular basis, and determined that Mr. Halperin is independent. The amount of fees earned by Goodmans LLP for legal services rendered to Cott is financially immaterial to Goodmans LLP and to Mr. Halperin's compensation from such firm. Although fees paid by the Company to Goodmans LLP are immaterial to that firm and Mr. Halperin's compensation, concern has been expressed by certain shareowners with respect to Mr. Halperin's service on board committees comprised solely of independent directors in light of this relationship. To address this concern, Mr. Halperin and the board of directors agreed that he not serve on standing board committees. Mr. Halperin ceased serving on the Corporate Governance Committee on April 30, 2013.

In addition, although Mr. Savage serves on the audit committees of more than two other publicly traded companies, the board of directors determined that such simultaneous service does not impair his ability to serve on Cott's Audit Committee.

Mr. Fowden is a management director and is therefore not independent.

Each director and nominee for election as director delivers to Cott annually a questionnaire that includes, among other things, a request for information relating to any transactions in which both the director or nominee, or their family members, and Cott participates, and in which the director or nominee, or such family member, has a material interest. Pursuant to Cott's Corporate Governance Guidelines and the charter of the Corporate Governance Committee, the Corporate Governance Committee is required to review all transactions between Cott and any related party (including transactions reported to it by a director or nominee in response to the questionnaire, or that are brought to its attention by management or otherwise), regardless of whether the transactions are reportable pursuant to Item 404 of Regulation S-K under the Securities and Exchange Act of 1934 (the Exchange Act).

After considering advice from the Corporate Governance Committee, the board of directors is required to review, and, if appropriate, approve or ratify, such related party transactions. A related party transaction is defined under the Corporate Governance Guidelines as any transaction in which Cott was or is to be a participant and in which any related party has a direct or indirect material interest, other than transactions that (i) are available to all employees generally, (ii) involve compensation of executive officers or directors duly authorized by the appropriate board committee, or (iii) involve reimbursement of expenses in accordance with Cott's established policy.

A related party is defined under the Corporate Governance Guidelines as any person who is, or at any time since the beginning of Cott's last fiscal year was, an executive officer or director (including in each case nominees for director), any shareowner owning in excess of 5% of Cott's common shares, or an immediate family member of an executive officer, director, or 5% shareowner.

An immediate family member is defined under the Corporate Governance Guidelines as a person's spouse, parents, stepparents, children, stepchildren, siblings, mother- and father-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than employees) who shares such person's home.

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Management and directors must also update the board of directors as to any material changes to proposed transactions as they occur.

Because related party transactions potentially vary, the Corporate Governance Committee or the board of directors has not to date developed a written set of standards for evaluating them, but rather addresses any such transactions on a case-by-case basis.

To the knowledge of the directors, no insider, director or proposed nominee for election as a director, or any associate or affiliate of any such persons, had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transaction with Cott since January 1, 2013.

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**COMPENSATION OF EXECUTIVE OFFICERS**

**Compensation Discussion and Analysis**

*Executive Summary*

We seek to incentivize management to increase long-term, sustainable shareowner value giving appropriate consideration to risk and reward, and to focus management on increasing revenue, controlling costs, and implementing our capital deployment strategy, which includes investing in the diversification of our product, package and channel mix, along with the return of funds to shareholders and continued debt and interest expense reduction. Our compensation programs are designed to reward executives based on the achievement of both individual and corporate performance targets, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking. Our named executive officers total compensation consists of a base salary, opportunities for annual performance-based cash bonus compensation, and long-term compensation in the form of equity ownership.

We believe that our named executive officers were instrumental in helping us deliver \$100 million in free cash flow, from \$155 million of net cash provided by operating activities less \$55 million of capital expenditures in 2013 (free cash flow is net cash provided by operating activities, less capital expenditures), which enabled us to execute our capital deployment strategy, including the retirement of \$215 million in debt and the return of approximately \$32 million to shareowners through quarterly dividends and stock repurchases.

In 2013, the Compensation Committee and management continued to implement compensation and corporate governance practices that reflect our ongoing efforts to reduce operating expenses due to challenging market conditions, as well as our financial position and our role as a low-cost producer of beverages, including:

Salary and bonus decisions reflecting our results for the year, including:

- i The base salary and target bonuses for our named executive officers remained consistent with 2012 base salary and target bonuses, and perquisites available to our named executive officers continued to be limited to an annual executive physical examination and a car allowance.
- i Each of our named executive officers, other than the President of our U.S. Business Unit, received a performance bonus equal to 0.60 times target, and the President of our U.S. Business received a performance bonus equal to 0.56 times target.

We awarded a combination of performance-based restricted share units (37.5%), time-based restricted share units (25%), and stock options (37.5%) to our named executive officers. All of these restricted share units and stock options cliff vest at the end of fiscal 2015, with the performance-based restricted share units vesting based upon the achievement of a specific level of cumulative pre-tax income over the three-year period ending at the end of fiscal 2015. By linking an element of our long-term incentives to three-year financial results, we hope to more closely align our named executive officers' incentives with the long-term interests of shareowners. For grants in 2014, our named executive officers received the same types and relative percentages of equity awards as were awarded in 2013.

A clawback policy to allow the board of directors to recoup any excess incentive compensation paid to our current and former executive officers in the event of a required accounting restatement of a financial statement of Cott, whether or not based on misconduct, due to material non-compliance with any financial reporting requirement under the securities laws of the United States. The clawback policy is intended to reduce potential risks associated with our incentive plans, and thus better align the long-term interests of our named executive officers and shareowners.

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A no-hedging policy that prohibits our directors, named executive officers, and other key executive officers from engaging in any hedging or monetization transactions, such as zero-cost collars and forward sale contracts, with respect to Cott securities.



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A policy prohibiting directors and employees, including named executive officers, from engaging in any short-term, speculative transactions involving Cott securities, including purchasing securities on margin, engaging in short sales, buying or selling put or call options, and trading in options.

A policy prohibiting directors and employees, including named executive officers, from holding Cott securities in a margin account or pledging Cott securities as collateral for a loan.

Share ownership guidelines that require our directors, named executive officers, and other key employees to hold a certain amount of Cott shares, with the amount set at a particular multiple of base salary.

The Compensation Committee's continued engagement of an independent compensation consultant that does not provide any services to management and that had no relationship with management prior to the engagement.

The continued administration of a robust risk management program, which includes our Compensation Committee's oversight of the ongoing evaluation of the relationship between our compensation programs and risk, as well as the oversight of risk by the Audit Committee on behalf of the full board pursuant to the Audit Committee Charter.

We believe that the following two tables are helpful in understanding the actual performance-based compensation received by our named executive officers in fiscal 2011 through 2013. These tables supplement the information in the Summary Compensation Table, the Grants of Plan-Based Awards in Fiscal 2013 Table, and the Outstanding Equity Awards at 2013 Fiscal Year End Table appearing following Compensation Discussion and Analysis.

Table 1 illustrates the targeted versus actual payout of the performance-based cash bonuses to our named executive officers over the previous three fiscal years.

**TABLE 1: PERFORMANCE-BASED CASH BONUS ACHIEVEMENT HISTORY**

| Named Executive Officer                       | Fiscal Year | Cash Incentives              |
|---|-------------|------------------------------|
|   |             | Actual Payout Against Target |
| Jerry Fowden                                  | 2013        | 60.0%                        |
|   | 2012        | 129.0%                       |
| Chief Executive Officer                       | 2011        | 71.0%                        |
| Jay Wells <sup>(1)</sup>                      | 2013        | 60.0%                        |
|   | 2012        | 129.0%                       |
| Chief Financial Officer                       | 2011        |                              |
| Steven Kitching <sup>(2)</sup>                | 2013        | 56.0%                        |
|   | 2012        |                              |
| President - U.S. Business Unit                | 2011        |                              |
| Marni Morgan Poe                              | 2013        | 60.0%                        |
|   | 2012        | 129.0%                       |
| Vice President, Secretary and General Counsel | 2011        | 71.0%                        |
| Carlos Baila <sup>(2)</sup>                   | 2013        | 60.0%                        |
|   | 2012        |                              |
| Chief Procurement Officer                     | 2011        |                              |

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- (1) Mr. Wells was not a named executive officer in 2011.
  
- (2) Messrs. Kitching and Baila were not named executive officers in 2011 or 2012.

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Table 2 shows the grant date fair values and share-based compensation expense for performance-based restricted share units granted over the last three years to our named executive officers. We believe that this supplemental table presents a meaningful illustration of the actual fiscal year end value of performance-based restricted share units granted to our named executive officers in fiscal 2013 and in previous years. The performance targets established for the performance-based restricted share units granted to our named executive officers in fiscal 2011 were not met, and as a result, those awards did not vest. The data set forth in this table excludes time-based restricted share units and stock options.

**TABLE 2: PERFORMANCE-BASED RESTRICTED SHARE UNITS**

| <b>Named Executive Officer</b>                | <b>Fiscal Year</b> | <b>Grant Date Fair Value (\$)</b> | <b>Share-Based Compensation Expense <sup>(1)</sup> (\$)</b> |
|---|--------------------|-----------------------------------|---|
| Jerry Fowden                                  | 2013               | 682,500                           | 0   |
|   | 2012               | 600,000                           | 450,000   |
| Chief Executive Officer                       | 2011               | 880,875                           | 0   |
| Jay Wells <sup>(2)</sup>                      | 2013               | 172,031                           | 0   |
|   | 2012               | 164,063                           | 123,047   |
| Chief Financial Officer                       | 2011               |                                   |   |
| Steven Kitching <sup>(3)</sup>                | 2013               | 255,000                           | 0   |
|   | 2012               |                                   |   |
| President- U.S. Business Unit                 | 2011               |                                   |   |
| Marni Morgan Poe                              | 2013               | 135,650                           | 0   |
|   | 2012               | 111,926                           | 83,944  |
| Vice President, Secretary and General Counsel | 2011               | 149,901                           | 0   |
| Carlos Baila <sup>(3)</sup>                   | 2013               | 80,156                            | 0   |
|   | 2012               |                                   |   |
| Chief Procurement Officer                     | 2011               |                                   |   |

(1) Represents the aggregate amount of share-based compensation expense to be recorded in selling, general, and administrative expenses in our Consolidated Statements of Operations over the term of the performance period.

(2) Mr. Wells was not a named executive officer in 2011.

(3) Messrs. Kitching and Baila were not named executive officers in 2011 or 2012.

As we believe the above information indicates, the compensation program for our named executive officers emphasizes performance-based compensation that is at-risk and generally only payable based on achievement of challenging corporate and individual targets. We encourage you to read this Compensation Discussion and Analysis for details regarding our executive compensation program, including information about the 2013 compensation of the named executive officers.

***Say-on-Pay and Say-on-Frequency Results***

At the 2013 annual meeting of shareowners, we solicited from our shareowners an advisory vote on the compensation of our named executive officers. The shareowners voted to approve, on an advisory basis, the compensation of our named executive officers, as such information is disclosed in the Compensation Discussion and Analysis, the compensation tables and the accompanying narrative disclosure, set forth in our 2013 annual meeting proxy circular. The vote was 76,522,583 shares For (98.16% of the shares voted), 1,385,920 shares Against (1.78% of the shares voted), and 47,131 shares Withheld (0.06% of the shares voted).

The Compensation Committee took into account the result of the shareowner vote in determining executive compensation policies and decisions since the 2013 annual meeting of shareowners. The Compensation Committee viewed the vote as an expression of the shareowners' general

satisfaction with our current executive

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compensation programs. While the Compensation Committee considered the outcome of the advisory vote in determining to continue our executive compensation programs for fiscal 2014, decisions regarding incremental changes in individual compensation were made in consideration of the factors described in this Compensation Discussion and Analysis.

Consistent with our shareowners' preference expressed in voting at the 2011 annual meeting of shareowners, the board determined that an advisory vote on the compensation of our named executive officers will be conducted every year. The next advisory vote on the frequency of an advisory vote on executive compensation will take place at the 2017 annual meeting of shareowners.

### ***Overview of Compensation Program***

The Compensation Committee is responsible for overseeing Cott's compensation reward programs, which include compensation (base salary, bonus, and equity compensation) and limited perquisites as described below and as set forth in the Summary Compensation Table. In addition, the Compensation Committee is responsible for overseeing talent management and succession planning for the senior management team, as well as setting objectives and evaluating the performance of Cott's Chief Executive Officer. To assist in executing its responsibilities, the Compensation Committee may retain independent compensation consultants, at Cott's expense, who report solely to the Compensation Committee. The Compensation Committee is responsible for ensuring that the total compensation paid to our Chief Executive Officer and the officers who directly report to our Chief Executive Officer (such officers, the **direct reports**) is fair, reasonable and competitive. The Compensation Committee must recommend to the independent members of the board of directors, and the board must review and, if it deems appropriate, approve all changes to our Chief Executive Officer's compensation package. The Compensation Committee reviews and approves all compensation packages and any adjustments thereto for the direct reports. The Compensation Committee also approves any severance packages to departing direct reports, as well as the severance plans that govern the terms of the severance packages. In 2013, each of our named executive officers, other than our Chief Executive Officer, was a direct report.

The Compensation Committee is comprised of three members: Andrew Prozes (chair), Betty Jane Hess and Mario Pillozzi. The board has determined that all members are independent within the meaning of the rules of the SEC, NYSE and NI 58-101. The Compensation Committee's charter is available on our website [www.cott.com](http://www.cott.com) under For Investors Governance.

### ***Company Objectives***

The primary objectives of our current compensation program are to incentivize management to increase long-term, sustainable shareowner value giving appropriate consideration to risk and reward, and to focus management on increasing revenue, controlling costs, and implementing our capital deployment strategy, which includes investing in the diversification of our product, package and channel mix, along with the return of funds to shareholders and continued debt and interest expense reduction. Periodically, the Compensation Committee reviews and approves the design of our compensation programs to ensure that it provides sufficient compensation opportunities for executives in order to attract, retain and motivate the best possible management team. Our compensation programs are designed to:

Establish pay levels with reference to personal performance and external competitiveness with relevant labor markets and the relative value of the role in Cott's business, with the ultimate objective of aligning our named executive officers' compensation with the<sup>45</sup>50 percentile of the compensation of executives performing similar functions in the competitive market and in Cott's peer group;

To implement this alignment, make incremental adjustments to components of named executive officers' compensation over time, with the type and magnitude of such adjustments made in light of Cott's overall business performance;

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Reward executives based on the achievement of both individual and corporate performance targets, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking; and

Deliver conservative, market-based executive benefits.

Our compensation packages for named executive officers consist of a base salary, opportunities for annual performance-based cash bonus compensation, and long-term compensation in the form of equity ownership. The Compensation Committee has selected these components because it believes they align the interests of our named executive officers with those of our long-term shareowners and motivate these executives to achieve our goals.

***Setting Executive Compensation and the Role of Executive Officers in Compensation Decisions***

Periodically, the Compensation Committee determines what adjustments, if any, to base salary, cash performance bonus amounts, performance targets for performance-based compensation, and the applicable levels and targets for other compensation would be appropriate for our Chief Executive Officer, and recommends any adjustments to the board of directors. The board considers the Compensation Committee's proposals and, if acceptable, approves them.

The Compensation Committee also determines whether any adjustments to compensation would be appropriate for the direct reports. The Compensation Committee, annually and as it otherwise deems appropriate, meets with our Chief Executive Officer and our Corporate Human Resources Vice President to obtain recommendations with respect to our compensation programs and packages for the direct reports. The Chief Executive Officer and our Corporate Human Resources Vice President may make recommendations to the Compensation Committee on base salary, long-term incentive plan awards, performance targets, and other terms for the direct reports that the Compensation Committee may consider. The Compensation Committee considers management's proposals, reviews independent data to validate these recommendations and, if acceptable, approves them. The Compensation Committee is not bound to, and does not always accept, management's recommendations with respect to executive compensation for the direct reports. In addition, the Compensation Committee has the authority to access (at Cott's expense) independent, outside compensation consultants and other advisors for both advice and competitive data as it determines the level and nature of Cott's executive compensation.

In 2013, the Compensation Committee continued to retain Frederic W. Cook & Co. ( **Cook** ) as its sole independent compensation consultant. Cook only performs work for and reports directly to the Compensation Committee and attends Compensation Committee meetings as requested. Cook provided recommendations to the Compensation Committee on the competitiveness and appropriateness of all elements of executive compensation, including the Chief Executive Officer's compensation. Cook also assisted the Compensation Committee with the review of the Amended and Restated Equity Plan (as defined below) focusing on market trends. Cook did not provide any additional services to the board or management. Cott paid Cook \$52,014 for services rendered during 2013.

The Compensation Committee has considered the independence of Cook in light of SEC rules and NYSE listing standards. In connection with this process, the Compensation Committee has reviewed, among other items, a report from Cook addressing the independence of Cook and the members of the consulting team serving the Compensation Committee, including the following factors: (i) other services provided to Cott by Cook, (ii) fees paid by Cott as a percentage of Cook's total revenue, (iii) policies or procedures of Cook that are designed to prevent conflicts of interest, (iv) any business or personal relationships between the senior advisor of the consulting team with a member of the Compensation Committee, (v) any Cott stock owned by the senior advisor or any immediate family member, and (vi) any business or personal relationships between our executive officers and the senior advisor. The Compensation Committee discussed these considerations and concluded that the work performed by Cook and its senior advisor involved in the engagement did not raise any conflict of interest.

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The Compensation Committee periodically reviews compensation data and pay practices from Cott's peer group as part of its decision-making process. While the Compensation Committee reviews peer group compensation data, the board of directors and the Compensation Committee retain discretion in setting the compensation for our Chief Executive Officer and his direct reports, respectively. As a result, compensation for these executives may differ materially from the peer group and may vary according to factors such as experience, position, tenure, individual and organizational factors, and retention needs, among others. The Compensation Committee periodically evaluates and selects which companies to reference for purposes of executive compensation competitiveness. Annually, with guidance from its compensation consultant and input and discussion with management, the Compensation Committee discusses whether the mix of companies in the peer group produces a valid competitive analysis relative to our talent requirements.

The Compensation Committee, with input from Cook, determined that the below peer group, consisting of selected North American consumer goods and retail organizations with revenues of \$5.6 billion or less, was appropriate for compensation decisions made in 2013 and 2014.

**Companies used for Compensation Comparison<sup>1</sup>**

|                                     |                                |
|-------------------------------------|--------------------------------|
| Maple Leaf Foods Inc.               | Seneca Foods Corp.             |
| Constellation Brands, Inc.          | The Hain Celestial Group, Inc. |
| Chiquita Brands International, Inc. | SunOpta Inc.                   |
| United Natural Foods, Inc.          | Hansen Natural Corp.           |
| Brown-Forman Corp.                  | Lancaster Colony Corp.         |
| Flowers Foods, Inc.                 | Cal-Maine Foods, Inc.          |
| Sanderson Farms, Inc.               | Lance, Inc.                    |
| Central European Distribution Corp. | J&J Snack Foods Corp.          |
| TreeHouse Foods, Inc.               | National Beverage Corp.        |
| Coca-Cola Bottling Co. Consolidated | Beam Inc.                      |

<sup>1</sup> In 2013, the Compensation Committee, with input from Cook, determined to remove McCormick & Company Inc. and The J.M. Smucker Company from the peer group, as these companies have greater revenues and gross margin than Cott, and determined to remove Ralcorp Holdings, Inc. as it was acquired by ConAgra Foods, Inc. in 2013. The Compensation Committee determined to add Maple Leaf Foods Inc. to the peer group, as its revenue and gross margin more closely align with Cott's revenue and gross margin.

In setting executive compensation, the Compensation Committee annually reviews peer group and market data in recommending our Chief Executive Officer's compensation to the board of directors and in setting compensation for the direct reports. We consider the compensation paid by companies in our peer group as one factor in setting compensation for our named executive officers, and we may review peer group data with respect to individual components of compensation in addition to overall compensation. Compensation for the majority of our named executive officers has historically fallen below the 50th percentile of compensation of comparable executives in our peer group. Our goal, over time and depending on the success of our overall business, is to more closely align components of our named executive officers' compensation with the 50th percentile of comparable executives in the peer group. In 2013, total compensation and base salary for four of our named executive officers were below the 50<sup>th</sup> percentile for the peer group, and for one named executive officer were above the 50<sup>th</sup> percentile for the peer group. Total compensation and base salary for our Chief Procurement Officer were above the 50th percentile for two reasons. First, because other companies typically spread these responsibilities among several non-executive positions, limited comparable data is available. Second, because our business, particularly in lower-margin categories, depends substantially on controlling input costs, attracting and retaining an effective procurement specialist is especially critical to Cott.

The Compensation Committee intends to continue to make adjustments to executive compensation in light of the stated 50th percentile goal, our financial and competitive position and our role as a low-cost producer of beverages. The Compensation Committee may exercise discretion as to the type and magnitude of these adjustments. For example, as discussed below under the heading "Base Salary," in 2013 we determined not to make increases in base salary from 2012 levels in light of the overall performance of our business. In addition,

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the Compensation Committee may choose to set compensation based on factors other than external data and company performance, including individual responsibilities, potential and achievement. The Compensation Committee believes that its 2013 decisions supported the objectives of Cott's compensation program.

***Long-Term versus Currently-Paid Compensation***

Currently-paid compensation to our named executive officers includes base salaries, which are paid periodically throughout the fiscal year, annual cash performance bonuses based on performance targets proposed by management and approved by the Compensation Committee, which are awarded after the end of the fiscal year, and limited perquisites and personal benefits, which are paid consistent with our policies in appropriate circumstances. Our named executive officers historically have been eligible to participate in our long-term equity incentive plans. In 2013, we adopted, and our shareowners approved, the Amended and Restated Cott Corporation Equity Incentive Plan, which amended and restated Cott's 2010 Equity Incentive Plan (the **Amended and Restated Equity Plan**). The Amended and Restated Equity Plan provides the Compensation Committee and management with the flexibility to design compensatory awards responsive to Cott's business needs and goals. Awards under the Amended and Restated Equity Plan may be in the form of stock options, stock appreciation rights, restricted shares, restricted share units, performance shares, performance units or stock payments. As of December 28, 2013, other than outstanding equity awards under the Amended and Restated Equity Plan and the Restated 1986 Common Share Option Plan (the **1986 Option Plan**), there were no equity awards outstanding. The 1986 Option Plan was terminated in 2011 and no further awards have been granted under the 1986 Option Plan since its termination. Outstanding awards under the 1986 Option Plan will continue in accordance with the terms of the 1986 Option Plan until exercised, forfeited or terminated, as applicable. The Amended and Restated Equity Plan and the 1986 Option Plan are described in more detail under the heading **Equity Compensation Plan Information** on page 48 of this proxy circular. Our executive officers may also participate in Cott's 401(k) Plan, which is available to all employees in the United States, except for certain union employees.

The compensation structure for our named executive officers is intended to balance the need of these executives for current income with the need to create long-term incentives that are directly tied to achievement of our operational targets and growth in shareowner value. For our Chief Executive Officer, the Compensation Committee reviews peer group and market data and recommends to the board of directors the terms of his compensation arrangements. The board reviews the recommendation and, if acceptable, approves such arrangements. Our Chief Executive Officer and Corporate Human Resources Vice President review peer group and market data and recommend to the Compensation Committee the terms of the compensation arrangements for direct reports. The Compensation Committee reviews those recommendations and, if acceptable, approves them. In 2013, our compensation package for named executive officers was composed primarily of annual base salary, cash performance bonuses and long-term equity incentive awards.

With respect to long-term incentive awards in 2013, our named executive officers received a combination of performance-based restricted share units (37.5%), time-based restricted share units (25%) and stock options (37.5%) under the Amended and Restated Equity Plan. All of these restricted share units and stock options cliff vest at the end of fiscal 2015, with the performance-based restricted share units vesting at the end of fiscal 2015 based on the achievement of a specific level of cumulative pre-tax income during the three-year period ending at the end of fiscal 2015. The Compensation Committee selected a three-year performance period based upon input received from Cook regarding the time period utilized with respect to similar awards made by Cott's peer group companies, as well as the Compensation Committee's belief that a three-year measurement period reinforces the link between incentives and long-term Company performance.

The Compensation Committee determined to award the combination of equity described above to the named executive officers following a review of peer group and market data. We believe that this combination of equity awards incentivizes our named executive officers, aligns the interests of our named executive officers with those of our shareowners, and encourages executive retention. For grants in 2014, our named executive officers received the same types and relative percentages of equity awards as were awarded in 2013.



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For 2013, the principal compensation components for Cott's named executive officers consisted of the following:

| <b>Component</b>                                      | <b>Objective</b>  |
|---|---|
| Base salary   | Fixed pay that takes into account an individual's role and responsibilities, experience, expertise, and individual performance, and compensates named executive officers for services rendered during the fiscal year.  |
| Cash performance bonuses                              | Performance-based compensation that is paid to reward attainment of annual corporate and individual performance targets.  |
| Long-term equity incentive awards                     | Equity compensation that reinforces the link between incentives and long-term Company performance, incentivizes our named executive officers, aligns the interests of our named executive officers with those of our shareowners, and encourages executive retention. |
| Retirement benefits matching under Cott's 401(k) Plan | Retirement benefits that provide the opportunity for financial security in retirement consistent with programs for our broad-based employee population.   |
| Limited perquisites and benefits                      | Limited perquisites and benefits that effectively facilitate job performance, including an annual executive physical examination and a car allowance.   |

***Base Salary***

We provide named executive officers and other employees with base salary, paid over the course of the year, to compensate them for services rendered during the fiscal year. Base salary is determined by an annual assessment of a number of factors, including position and responsibilities, experience, individual job performance relative to responsibilities, impact on development and achievement of our business strategy, and competitive market factors for comparable talent in the peer group. However, the board of directors and the Compensation Committee retain discretion in setting the compensation for our Chief Executive Officer and the direct reports, respectively, and as a result, base salary for these executives may differ from that of comparable executives in the peer group.

In 2013, the Compensation Committee recommended that the base salary for our Chief Executive Officer should remain consistent with his 2012 base salary, which the board approved. Similarly, upon the recommendation of our Chief Executive Officer and our Corporate Human Resources Vice President, the Compensation Committee determined that the base salaries for our other named executive officers should remain consistent with their respective 2012 base salaries. In making such determinations, the board and the Compensation Committee considered our ongoing efforts to reduce operating expenses due to challenging market conditions, as well as our financial position and our role as a low-cost producer of beverages. In 2013, base salaries for four of our named executive officers were below the 50<sup>th</sup> percentile for the peer group, and base salary for one of our named executive officers was above the 50<sup>th</sup> percentile for the peer group. Base salary for our named executive officers in 2013 is shown in the Summary Compensation Table, under the heading **Salary** on page 36 of this proxy circular.

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### *Performance Bonuses*

#### General

The Compensation Committee believes that some portion of overall cash compensation for named executive officers should be performance-based, that is, contingent on successful achievement of corporate and individual targets. To that end, and depending on our financial and operating performance, the Compensation Committee may approve performance-based bonuses. The addition of performance bonuses in these situations more closely aligns a named executive officer's overall compensation with his or her individual performance and the profitability of the business unit for which he or she is accountable.

Eligibility for performance bonuses is set forth in a named executive officer's employment offer letter, and is based on market competitiveness, the impact of the executive's role within Cott, and the executive's long-term contributions. Any changes to the target bonus levels set forth in the employment offer letter for our Chief Executive Officer are recommended by the Compensation Committee and determined by the board of directors. Any changes to the target bonus levels set forth in the employment offer letters for the direct reports are reviewed and approved by the Compensation Committee. The targets related to performance-based bonuses are reviewed and approved by the Compensation Committee. The Compensation Committee believes that this bonus arrangement presents executives with clear, quantified targets that will focus them on strategic issues and align management's interests with those of our long-term shareowners in the sustained growth of shareowner value.

At the end of each fiscal year, an individual performance review is conducted for each named executive officer. If an individual performance review results in a rating below acceptable levels for the relevant period, all or a portion of the performance bonus may be withheld, even if corporate targets were met. During the performance review for our Chief Executive Officer and for his direct reports, the Compensation Committee determines whether the individual performance targets were met. We retain the discretion to modify the calculation of a performance bonus for a named executive officer: our board of directors with respect to our Chief Executive Officer, and the Compensation Committee with respect to the direct reports.

Additionally, discretionary bonuses may be paid to named executive officers, and one such bonus was paid in 2013. The Compensation Committee approved a cash bonus for our Chief Financial Officer as an inducement for his employment with us in the amount of \$60,000 payable on March 20, 2012, as well as a bonus of \$65,000 payable on March 20, 2013. While discretionary bonuses may be paid in appropriate circumstances, no named executive officer has a guaranteed right to a discretionary bonus as a substitute for a performance-based bonus in the event that performance targets are not met.

#### Company Performance Targets

Performance bonus eligibility in 2013 was determined based in part on achieving corporate targets and in part on achieving individual targets. In 2013, 70% of the performance bonus of our named executive officers was calculated based on Cott achieving a specified level of EBITDA (as defined below), 15% of the performance bonus was based on Cott achieving a specified level of operating free cash flow (as defined below) and 15% of the performance bonus was based on Cott achieving a specified level of revenue.

For performance bonus purposes, (i) **EBITDA** is GAAP earnings before interest, taxes, depreciation, and amortization, and (ii) **operating free cash flow** is GAAP net cash provided by operating activities, less capital expenditures. EBITDA and operating free cash flow are adjusted to exclude the impact of certain items, as approved by the Compensation Committee. Because these metrics are adjusted in the manner described above, they do not correspond to earnings before interest, taxes, depreciation, and amortization (adjusted or otherwise) and free cash flow as may be used in Cott's other disclosures or filings.

The business unit in which an individual is employed determines the bonus pool from which he or she may receive a performance bonus payment and the metrics applicable for the payment of the bonus. There were six company-wide major bonus pools designated at the start of 2013: United States, Canada, United Kingdom, Mexico, RCI and Corporate. All of our named executive officers, other than the President of our U.S. Business

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Unit, participated in the Corporate bonus pool in 2013. The President of our U.S. Business Unit participated in the U.S. bonus pool from the date of his appointment to such role on March 4, 2013 through the end of 2013. Prior to his appointment, he served as Managing Director of our United Kingdom/Europe business unit and participated in the U.K bonus pool.

There were three applicable metrics for the payment of performance bonuses to our named executive officers at the start of 2013 (EBITDA, free cash flow, and revenue). These three metrics closely correspond with the performance of our business, and the Compensation Committee therefore viewed them as appropriate performance targets for measuring the achievement by our named executive officers of Cott's business goals. Once the corporate performance targets were achieved, the individual performance of the named executive officer was considered, and if expectations for his or her role had been met, the executive was paid a bonus in full. A bonus could have been withheld in whole or in part if the executive did not meet expectations for his or her role. No bonus or portion of a bonus was withheld in 2013.

Performance bonuses in 2013 had a threshold level, a base target level and an outperform level. Performance bonuses may be paid if actual results for either of the operating free cash flow or revenue metrics are less than the threshold levels. However, if the actual results for the EBITDA metric are below the threshold level, no performance bonuses will be paid, subject to the discretion of the board of directors and the Compensation Committee to modify the performance bonus of our Chief Executive Officer and his direct reports, respectively, based on achievement of individual performance targets. Management recommends the performance criteria targets at the beginning of each year to the Compensation Committee, which reviews and, if acceptable, approves them. For 2013, our named executive officers could earn a performance bonus of up to a maximum level of two times the target bonus amount based on achievement of goals in excess of the outperform level. In the Corporate and the U.S. bonus pools, the target bonus awards for 2013 for our named executive officers varied between 50% and 100% of annual base salary. Management recommended, and the Compensation Committee approved, the EBITDA, operating free cash flow and revenue targets for 2013.

The Compensation Committee believes that setting an achievable goal is important in motivating our employees appropriately and in constructing a pay package that allows us to compete successfully in the market for talented employees. The following chart sets forth the threshold, target and outperform performance targets established by the Compensation Committee in February 2013 for the Corporate and U.S. bonus pools and the actual results achieved for those bonus pools. The maximum bonus payout for 2013 was two times the target bonus amount, which would have been reached if Cott had achieved the below-referenced outperform goals.

**2013 Performance Bonus Program****Targets applicable to named executive officers (in millions of U.S. dollars)**

|            | Corporate Pool (enterprise-level) |                          |         | U.S. Business Unit Pool (operating unit level) |                          |         |
|------------|-----------------------------------|--------------------------|---------|--|--------------------------|---------|
|            | EBITDA                            | Operating Free Cash Flow | Revenue | EBITDA   | Operating Free Cash Flow | Revenue |
|            | (\$)                              | (\$)                     | (\$)    | (\$)   | (\$)                     | (\$)    |
| Threshold  | 186.5                             | 71.4                     | 2,189.9 | 160.7  | 113.1                    | 1,419.7 |
| Target     | 233.1                             | 89.2                     | 2,305.2 | 192.1  | 141.4                    | 1,494.4 |
| Outperform | 279.7                             | 107.0                    | 2,466.6 | 223.4  | 169.6                    | 1,599.0 |
| Actual     | 191.3                             | 97.1                     | 2,063.3 | 167.3  | 136.5                    | 1,348.0 |

EBITDA, free cash flow and revenue are interpolated on a straight-line basis between the threshold, target, and outperform performance levels, resulting in a payout percentage for each metric. The relative weighting for each metric (EBITDA 70%, operating free cash flow 15%, revenue 15%) is applied to the payout percentages, and the results are aggregated, resulting in a bonus multiplier. The bonus multiplier is then applied to the target bonus amount to determine the amount of a named executive officer's bonus, subject to the discretion of the board of directors and the Compensation Committee to modify the performance bonus.

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The following chart sets forth the calculation of the bonus multiplier for the Corporate and U.S. bonus pools.

**2013 Performance Bonus Program****Calculation of bonus multiplier**

|                                | Corporate Pool (enterprise-level) |                          |         | U.S. Business Unit Pool (operating unit level) |                          |         |
|--------------------------------|-----------------------------------|--------------------------|---------|--|--------------------------|---------|
|                                | EBITDA                            | Operating Free Cash Flow | Revenue | EBITDA   | Operating Free Cash Flow | Revenue |
|                                | 70%                               | 15%                      | 15%     | 70%  | 15%                      | 15%     |
| % Payout (Per Metric)          | 0.55                              | 1.45                     | 0.00    | 0.60   | 0.92                     | 0.00    |
| % Payout Weighted (Per Metric) | 0.38                              | 0.22                     | 0.00    | 0.42   | 0.14                     | 0.00    |
| <b>Bonus Multiplier</b>        |                                   | <b>0.60</b>              |         |  | <b>0.56</b>              |         |

As noted above, actual 2013 EBITDA, free cash flow and revenue resulted in a bonus multiplier of 0.56 times target for the President of our U.S. business unit, and a bonus multiplier of 0.60 times target for the other named executive officers.

For 2014, the Compensation Committee has approved a threshold level, a target level, and an outperform level based on corporate performance using the same metrics as utilized in 2013. Once the achievement against the performance targets is evaluated and confirmed in early 2014, bonuses will be determined based upon the results of Cott's annual individual performance review process. In the Corporate and the U.S. bonus pool, the 2014 target bonus award for our named executive officers will vary between 50% and 100% of annual base salary.

For 2014, we have reviewed our business strategy, current macroeconomic conditions and our expectations for Cott's results. Based on those expectations, we believe that we have set targets that are attainable by Cott and the individual executives and that will correspond to meaningful achievement in Cott's business.

**Individual Performance Targets**

During 2013, we used individual performance targets for named executive officers in two ways. First, a performance bonus may be reduced or modified based on a named executive officer's achievement of or failure to achieve individual performance targets. No such reductions or modifications were made with respect to 2013 bonuses. Second, salary adjustment decisions with respect to a named executive officer are made at the end of the year based in part upon achievement of individual performance targets, as discussed above under the heading **Compensation Components Base Salary** on page 26 of this proxy circular. The targets set for 2013 varied by business unit and the named executive officer's function within Cott. The individual targets for the Chief Executive Officer were approved by the Compensation Committee and the individual targets for the other named executive officers were approved by the Chief Executive Officer. The targets were set to reflect the executive's role in ongoing and planned business initiatives and were designed to closely correlate with our business plan for 2013. In setting specific target levels, a variety of factors were considered, including our areas of focus for the year, our relationships with customers and suppliers, and general economic conditions. A description of the individual 2013 performance targets applicable to our named executive officers is set out below:

Chief Executive Officer:

Develop strategic and operational initiatives for long-term growth of Cott;

Achieve specific financial and operational targets; and

Continue to build a strong leadership team to drive Cott's strategic and operational initiatives.



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Chief Financial Officer:

Continue to improve internal control over financial reporting;

Implement strategic and operational initiatives for long-term growth of Cott; and

Continue to build a strong finance team to drive Cott's strategic and operational initiatives.

President of our U.S. Business Unit:

Deliver product mix, margin, revenue and volume improvements;

Continue to develop the senior leadership in the business unit; and

Implement operational initiatives for long-term growth of Cott.

Vice President, General Counsel and Secretary:

Develop and oversee legal support function for implementation of strategic and operational initiatives for long-term growth of Cott;  
and

Reduce legal fees incurred by outside counsel by managing in-house legal review and reducing litigation life cycle.

Chief Procurement Officer:

Optimally manage commodity costs against budget and against benchmarks for 2013; and

Optimally manage the procurement function within Cott to maximize cost savings.

The individual performance targets are set in order to accomplish two objectives. First, the targets represent management's and the Compensation Committee's goals for Cott's performance over time, based on market factors, customer relationships, commodity costs and other operational considerations that we weigh in preparing internal forecasts. Second, they provide executives with meaningful objectives, directly related to their job function, that motivate the executive to positively contribute to our success.

**Measuring Achievement: Payment of Performance Bonuses**

Based on audited results for the fiscal year, management presents a recommendation to the Compensation Committee for performance bonus payments for named executive officers based on results achieved as compared to the corporate and individual targets established for that fiscal year. The board of directors and the Compensation Committee have the discretion to award the amount corresponding to that level of achievement, or to increase or decrease the award payable, to our named executive officers if they believe such action would be in the best interest of Cott and our shareowners.

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As discussed above, for 2013, performance bonus achievement for our named executive officers was based 70% on EBITDA, 15% on operating free cash flow, and 15% on revenue. In February 2014, management presented to the Compensation Committee 2013 year-end results for each of the business units corresponding to the bonus pools. Each of our bonus-eligible named executive officers, other than the President of our U.S. Business Unit, participated in the Corporate bonus pool, and each such named executive officer was entitled to a performance bonus for 2013 equal to 0.60 times target. The President of our U.S. Business Unit participated in the U.S. bonus pool, and was entitled to a performance bonus for 2013 equal to 0.56 times target. The Compensation Committee determined that our named executive officers met their respective individual performance targets and, as a result, they received the full amount of their respective bonuses.

**Table of Contents***Long-Term Incentive Plans*

In 2013, our senior-level employees were eligible to participate in our 2010 Equity Incentive Plan, which during 2013 was amended and restated with the approval of our shareowners as our Amended and Restated Equity Plan. There is no set formula for the granting of awards to individual executives or employees under the Amended and Restated Equity Plan. Generally, we use a methodology to determine award size based on benchmarking against our peer group and the industry in general, among other factors. The Amended and Restated Equity Plan provides the Compensation Committee and management with the flexibility to design compensatory awards responsive to Cott's needs. Awards under the Amended and Restated Equity Plan may be in the form of stock options, stock appreciation rights, restricted shares, restricted share units, performance shares, performance units or stock payments.

In 2013, our named executive officers received a combination of performance-based restricted share units (37.5%), time-based restricted share units (25%), and stock options (37.5%). All of these restricted share units and stock options cliff vest at the end of fiscal 2015, with the performance-based restricted share units vesting at the end of fiscal 2015 based on the achievement of a specific level of cumulative pre-tax income during the three-year period ending at the end of fiscal 2015. The Compensation Committee selected a three-year performance period based upon input received from Cook regarding the time period utilized with respect to similar awards made by Cott's peer group companies, as well as the Compensation Committee's belief that a three-year measurement period reinforces the link between incentives and long-term Company performance. The Compensation Committee determined to award this combination of equity to the named executive officers following a review of peer group and market data. We believe that this combination of equity awards incentivizes our named executive officers, aligns the interests of our named executive officers with those of our shareowners, and encourages executive retention. For grants in 2014, our named executive officers received the same types and relative percentages of equity awards as were awarded in 2013.

The performance-based restricted share units granted in 2011 were granted with a pre-tax income target of \$315 million and variable vesting based on the level of pre-tax income actually achieved, as follows:

| Achievement               | Pre-Tax Income Threshold   | Percentage of Performance Units Vested |
|---------------------------|----------------------------|--|
| 125% of Target or greater | \$393.8 million or greater | 125%                                   |
| 100% of Target            | \$315.0 million            | 100%                                   |
| 80% of Target             | \$252.0 million            | 50%                                    |
| Less than 80% of Target   | Less than \$252.0 million  | 0%                                     |
| Actual                    | \$128.4 million            | 0%                                     |

As noted above, our actual cumulative pre-tax income during the three-year period ending at the end of fiscal 2013 was \$128.4 million, and as a result, those awards did not vest.

*Retirement Benefits*

In 2013, as part of our cost-reduction efforts, we continued to limit executive benefits to those specifically granted pursuant to employment agreements (as discussed in the narrative following the Summary Compensation Table and below). Our named executive officers are eligible to participate in our 401(k) Plan, which is open to all employees in the United States, except certain union employees. Employees are eligible to join this plan the first day of the month following 90 days of employment. Employees can contribute up to 50% of their eligible earnings. During 2013, we matched up to 3.5% of employee contributions, subject to caps based on limits set by applicable law. In 2014, as part of our ongoing efforts to reduce operating expenses due to challenging market conditions, we determined to suspend such matching contributions.

*Perquisites and Other Personal Benefits*

We provide our named executive officers with limited perquisites and other personal benefits that are not otherwise available to all of our employees, including an annual executive physical examination and a car



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allowance. The Compensation Committee periodically reviews the levels of perquisites and other personal benefits provided to named executive officers to ensure that they are appropriately limited and effectively facilitate job performance. Perquisites and personal benefits are taken into account as part of the total compensation to executive officers.

Perquisites and other personal benefits for our named executive officers are set forth in the Summary Compensation Table, under the heading **All Other Compensation** and related footnotes on page 36 of this proxy circular.

### ***Severance Arrangements***

We have arrangements with our named executive officers to provide for payment and other benefits if such executive's employment is terminated under certain circumstances. We have entered into such arrangements in order to discourage these executives from voluntarily terminating their employment with us in order to accept other employment opportunities, and to provide assurances to these executives that they will be compensated if terminated by us without cause. The specific arrangements for each officer may differ, depending on the terms of the officer's employment agreement or whether such officer participates in one of our severance plans.

#### ***Severance Plan***

As of December 28, 2013, Mr. Fowden was the only named executive officer who participated in the Cott Corporation Severance and Non-Competition Plan (the **Severance Plan**), which we implemented in 2009. Subject to certain exceptions, the Severance Plan defines his entitlements upon a qualified termination of employment and replaces all previous termination and severance entitlements to which he may have been entitled. The Severance Plan and entitlements under such plan are described in more detail under the heading **Potential Payments Upon Termination or Change of Control Severance Plan** on page 43 of this proxy circular.

Effective January 1, 2014, Messrs. Wells and Kitching and Ms. Poe became participants in the Severance Plan. The Severance Plan defines the entitlements for these executives upon a qualified termination of employment and replaces all previous termination and severance entitlements to which they may have been entitled. There are no golden parachute excise tax gross up payments provided to these participants; rather, payments are reduced to an amount that will result in no portion of the payments being subject to the excise tax.

#### ***Other Severance Payments***

As of December 28, 2013, Messrs. Wells, Kitching and Baila and Ms. Poe did not participate in a severance plan. Their entitlements under a qualified termination of employment as of such date were governed by their employment letter agreements. The terms of these arrangements are described in more detail under the heading **Potential Payments Upon Termination of Change of Control- Payments to Other Named Executive Officers** on page 46 of this proxy circular.

#### ***Treatment of Equity Awards upon Termination or Change of Control***

Our Amended and Restated Equity Plan (see **Equity Compensation Plan Information** on page 48 of this proxy circular) contains provisions triggered by a change of control of Cott, thus providing assurances to our named executive officers and employees that their equity investment in Cott will not be lost in the event of the sale, liquidation, dissolution or other change of control of Cott. These terms provide for the acceleration of equity awards in limited circumstances, namely, when the awards (1) are not continued, assumed, or replaced by the surviving or successor entity or (2) are so assumed, but where a named executive officer or employee is involuntarily terminated for reasons other than Cause, or terminates his or her employment for Good Reason (as such capitalized terms are defined in the Amended and Restated Equity Plan), within two years after the change of control. Our 1986 Option Plan also has provisions that are triggered by a change of control, but because all awards under the 1986 Option Plan have vested, a change of control would not affect awards under the 1986 Option Plan.

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Additionally, our Amended and Restated Equity Plan contains provisions triggered when a named executive officer or employee retires, is terminated without cause or resigns with Good Reason. These terms provide that, upon such a retirement, termination or resignation, a pro rata portion of the award, calculated based on the individual's actual employment period relative to the applicable performance or restriction period, will vest at each subsequent vesting date.

A more detailed discussion of payments in connection with a termination or change of control is set forth under **Potential Payments Upon Termination or Change of Control** on page 41 of this proxy circular.

### ***Share Ownership Guidelines***

The board of directors has established minimum share ownership requirements for the Chief Executive Officer, Chief Financial Officer, all other executive officers, and certain other employees. Under these requirements, the Chief Executive Officer must own common shares having a minimum aggregate value equal to four times his annual base salary. The Chief Financial Officer must own common shares having a minimum aggregate value equal to two times his annual base salary. Direct reports and officers subject to the requirements of Section 16 of the Securities Exchange Act of 1934 must own common shares having a minimum aggregate value equal to one and a half times his or her annual base salary. The Compensation Committee or the board of directors may, from time to time, reevaluate and revise these guidelines to give effect to changes in Cott's common share price, capitalization, or changes in the base salary or the title of the above mentioned persons.

The value of shares owned by each of the above persons as calculated under the guidelines, and compliance with the share ownership requirements is measured, on December 31st of each year. Individuals subject to the guidelines are not required to attain the minimum ownership level by a particular deadline; however, until the guideline amount is achieved, they are required to retain an amount equal to 100% of net shares received as equity compensation. Net shares are defined as those shares that remain after shares are sold or netted to pay the exercise price of stock options (if applicable) and taxes payable upon the grant of a stock payment or the vesting of restricted shares, restricted share units, performance shares, performance share units or the exercise of stock options or stock appreciation rights. Shares purchased on the open market may be sold in compliance with Cott's policies and applicable securities laws. Failure to meet or to show sustained progress toward meeting the guidelines may be a factor considered by the Compensation Committee in determining future long-term incentive equity grants to such persons. These requirements are designed to ensure that the economic interests of senior management correlate with the value of our stock and are thus closely aligned with the interests of Cott's shareowners.

### ***Insider Trading Restrictions and Policy Against Hedging***

Our insider trading policy prohibits directors, officers, employees and consultants of Cott and certain of their family members from purchasing or selling any type of security, whether issued by us or another company, while such person is aware of material non-public information relating to the issuer of the security or from providing such material non-public information to any person who may trade while aware of such information.

Trades by directors, executive officers and certain other employees are prohibited during certain prescribed blackout periods and are required to be pre-cleared by our Vice President, General Counsel and Secretary, subject to limited exceptions for approved Rule 10b5-1 plans. This policy prohibits directors, officers, employees and consultants of Cott from engaging in short sales with respect to our securities, trading in put or call options, or engaging in hedging or monetization transactions, such as zero-cost collars and forward sale contracts, with respect to our securities. This policy also prohibits employees and directors, including the named executive officers, from holding Cott securities in a margin account or pledging Cott securities as collateral for a loan.

### ***Policy Regarding Clawback of Incentive Compensation***

Our board of directors has adopted a clawback policy that allows the board to recoup any excess incentive compensation paid to our current and former executive officers in the event of a required accounting restatement of a financial statement of Cott, whether or not based on misconduct, due to material non-compliance with any

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financial reporting requirement under the securities laws of the United States. The clawback policy is intended to reduce potential risks associated with our incentive plans, and thus better align the long-term interests of our named executive officers and shareowners.

We believe that the clawback policy is sufficiently broad to reduce the potential risk that an executive officer would intentionally misstate results in order to benefit under an incentive program and provides a right of recovery in the event that an executive officer took actions that in hindsight, should not have been rewarded.

### ***Risk Management Considerations***

The Compensation Committee believes that Cott's performance-based cash bonus and long-term incentive plans create incentives for our executives and other employees to create long-term shareowner value. Several elements of the program are designed to promote the creation of long-term value and thereby discourage behavior that leads to excessive risk:

The base salary portion of compensation is designed to provide a steady income regardless of Cott's performance so that executives do not feel pressured to focus on achievement of certain performance goals at the expense of other aspects of Cott's business.

The performance goals used to determine the amount of an executive's bonus are measures that the Compensation Committee believes drive long-term shareowner value. These measures are EBITDA, operating free cash flow, and revenue. The Compensation Committee attempts to set ranges for these measures that encourage success without encouraging excessive risk-taking to achieve short-term results.

The measures used to determine whether performance-based restricted share units vest are based on performance over a three-year period. The Compensation Committee believes that the three-year measurement period reinforces the link between incentives and long-term Company performance, and the performance cycles overlap to reduce any incentive to maximize performance in a particular period at the expense of another.

Cash bonuses are capped at 200% of target, and vesting for performance-based restricted share units is capped at 125% of target.

The equity awarded to our named executive officers is a mix of performance-based restricted share units, time-based restricted share units and stock options. The Compensation Committee believes that this mix avoids having a relatively high percentage of compensation tied to one element, and that the time-based restricted share units and stock options should reduce risky behavior because these awards are designed to retain employees and because they are earned over time.

Compensation is balanced between short-term and long-term compensation, creating diverse time horizons.

The Compensation Committee believes that linking performance and the corresponding payout factor mitigates risk by avoiding situations where a relatively small amount of increased performance results in a relatively high corresponding amount of increased compensation.

Named executive officers are required to hold a certain amount of Cott shares, which aligns their interests with those of our shareowners.

We have implemented accounting policies and internal controls over the measurement and calculation of performance goals.

We have implemented the clawback policy described above, which is intended to reduce potential risks associated with our incentive plans, and thus better align the long-term interests of our named executive officers and shareowners.

We have a no-hedging policy that prohibits employees from engaging in any hedging or monetization transactions, such as zero-cost collars and forward sale contracts, with respect to Cott securities.

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We have a policy prohibiting employees from engaging in any short-term, speculative transactions involving Cott securities, including purchasing securities on margin, engaging in short sales, buying or selling put or call options, and trading in options.

We have a policy prohibiting employees from holding Cott securities in a margin account or pledging Cott securities as collateral for a loan.

The Compensation Committee approves our short-term and long-term incentive compensation programs, which mitigates risk by empowering a group of independent directors with substantial experience and expertise.

The Compensation Committee has engaged an outside, independent compensation consultant who is knowledgeable regarding various compensation policies and their associated risks, and is free from any conflict of interest.

The Compensation Committee has reviewed Cott's compensation policies and practices for its employees and determined that the risks arising from those policies and practices are not reasonably likely to have a material adverse effect on Cott.

## ***Tax and Accounting Implications***

When determining amounts of long-term incentive grants to executives and employees, the Compensation Committee considers the accounting cost associated with the grants. Under FASB ASC Topic 718, Share-based Payments, grants of equity-classified awards result in compensation expense for Cott. The Compensation Committee considers the accounting and tax treatment accorded to equity awards and takes steps to ensure that any issues are addressed by management, however, such treatment has not been a significant factor in establishing Cott's compensation programs or in the decisions of the Compensation Committee concerning the amount or type of equity award.

As part of its role, the Compensation Committee reviews and considers the deductibility of executive compensation under Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), which includes potential limitations on the deductibility of compensation in excess of \$1 million paid to our Chief Executive Officer and three other most highly compensated executive officers (other than our principal financial officer) serving on the last day of the year. Based on the regulations issued by the Internal Revenue Service, we believe we have taken the necessary actions to ensure the deductibility of payments under Cott's annual performance bonus plan and with respect to stock options and performance-based restricted share units, whenever possible. We intend to continue to take the necessary actions to maintain the deductibility of compensation resulting from these types of awards. In contrast, time-based restricted share units generally do not qualify as performance-based compensation under Section 162(m). Therefore, the vesting of time-based restricted share units in some cases will result in a loss of tax deductibility of compensation. While we view preserving tax deductibility as an important objective, we believe the primary purpose of our compensation program is to support our strategy and the long-term interests of our shareowners. In specific instances we have authorized and in the future may authorize compensation arrangements that are not fully tax deductible but that promote other important objectives of Cott and of our executive compensation program.

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| Name and Principal Position  | Year                | Salary<br>(\$) | Bonus<br>(\$)         | Stock<br>Awards <sup>(1)</sup><br>(\$) | Option/<br>SAR<br>Awards <sup>(2)</sup><br>(\$) | Non-Equity<br>Incentive                     |                                   | Total<br>(\$) |
|--|---------------------|----------------|-----------------------|--|---|---|-----------------------------------|---------------|
|  |                     |                |                       |  |   | Plan<br>Compensation <sup>(3)</sup><br>(\$) | All Other<br>Compensation<br>(\$) |               |
| Jerry Fowden<br>Chief Executive Officer (PEO)                        | 2013                | 796,923        |                       | 1,137,500                              | 682,500   | 480,000                                     | 23,247 <sup>(4)</sup>             | 3,120,170     |
|  | 2012                | 800,000        |                       | 1,000,000                              | 600,000   | 1,032,000                                   | 19,231                            | 3,451,231     |
|  | 2011                | 711,719        |                       | 880,875                                |   | 516,200                                     | 18,487                            | 2,127,281     |
| Jay Wells<br>Chief Financial Officer (PFO)                           | 2013                | 348,654        | 65,000 <sup>(5)</sup> | 286,719                                | 172,031   | 157,500                                     | 13,500 <sup>(6)</sup>             | 1,043,404     |
|  | 2012 <sup>(7)</sup> | 275,961        | 60,000 <sup>(5)</sup> | 273,438                                | 164,063   | 265,821                                     | 260,644                           | 1,299,928     |
| Steven Kitching <sup>(8)</sup>                                       | 2013 <sup>(7)</sup> | 363,601        |                       | 425,000                                | 255,000   | 133,000                                     | 74,256 <sup>(9)</sup>             | 1,250,857     |
| President U.S. Business Unit   |                     |                |                       |  |   |   |                                   |               |
| Marni Morgan Poe<br>Vice President, General<br>Counsel and Secretary | 2013                | 330,357        |                       | 224,750                                | 135,650   | 149,234                                     | 13,500 <sup>(10)</sup>            | 853,491       |
|  | 2012                | 331,632        |                       | 186,543                                | 111,926   | 320,854                                     | 19,125                            | 970,080       |
|  | 2011                | 293,750        |                       | 216,523                                |   | 105,412                                     |                                   | 615,685       |
| Carlos Baila   |                     |                |                       |  |   |   |                                   |               |
| Chief Procurement Officer  | 2013 <sup>(7)</sup> | 262,115        |                       | 133,594                                | 80,156  | 79,750                                      | 127,202 <sup>(11)</sup>           | 682,817       |

- (1) Stock awards made in 2013 were time-based and performance-based restricted share units granted under the Amended and Restated Equity Plan. The amounts reported in this column for 2013 reflect the aggregate grant date fair values for time-based and performance-based restricted share units computed in accordance with FASB ASC Topic 718 ( ASC 718 ), excluding the effect of estimated forfeitures. The assumptions used for the valuations are set forth in Note 7 to our audited consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 28, 2013. The grant date fair values of awards granted in 2013 subject to performance conditions were as follows: Mr. Fowden: \$682,500; Mr. Wells: \$172,031; Mr. Kitching: \$255,000; Ms. Poe: \$135,650; and Mr. Baila: \$80,156. Assuming achievement of the highest level of performance for these awards, the grant date fair values of awards subject to performance conditions would have been as follows: Mr. Fowden: \$853,125; Mr. Wells: \$215,039; Mr. Kitching: \$318,750; Ms. Poe: \$169,563; and Mr. Baila: \$100,195.
- (2) The values of option awards reflect the grant date fair values, as computed in accordance with ASC 718. The assumptions used for the valuations are set forth in Note 7 to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 29, 2012, and in Note 7 to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 28, 2013.
- (3) The amounts under the Non-Equity Incentive Plan Compensation column reflect amounts earned under Cott's annual performance bonus plan.
- (4) Includes car allowance of \$16,000, \$2,507 for an annual medical exam, and \$4,740 in relocation expenses.
- (5) The Compensation Committee approved a cash bonus for Mr. Wells as an inducement for his employment with Cott in the amount of \$60,000 payable on March 20, 2012, as well as \$65,000 payable on March 20, 2013.
- (6) Includes car allowance of \$13,500.
- (7) Certain named executive officers did not serve a full year because they became an executive officer of Cott during the fiscal year.

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- (8) Mr. Kitching became an executive officer of Cott upon his appointment to the role of President U.S. business on March 4, 2013. Prior to his appointment, Mr. Kitching served as Managing Director of Cott's United Kingdom/Europe business unit, and Mr. Kitching's compensation for 2013 included in the table above includes amounts earned in 2013 in such capacity.
- (9) Includes car allowance of \$14,425, \$1,498 for an annual medical exam, and \$58,333 in relocation expenses.
- (10) Includes car allowance of \$13,500.
- (11) Includes car allowance of \$12,202 and \$115,000 in relocation expenses.

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### **Named Executive Officer Employment Agreements**

Each of our named executive officers has a written employment agreement or offer letter setting forth the material terms of his or her employment. Under these employment agreements or offer letters, these executives receive annual base salaries at rates not less than the amounts reported in the Summary Compensation Table for 2013, which may be adjusted from time to time. Each of these agreements provides for:

eligibility to earn bonuses based upon the achievement of agreed-upon criteria established from time to time by the Compensation Committee, and

customary allowances and limited perquisites.

Each of the named executive officers employed by Cott as of the end of 2013 participates in both short-term and long-term incentive programs provided by us. The level of participation is determined by the Compensation Committee and varies by named executive officer. Each of our named executive officers is bound by restrictive covenants that generally limit their ability to compete with us in any countries in which we conduct business. They have also agreed to non-solicitation and nondisparagement covenants. These limitations continue during the term of employment and for a period of time following termination (regardless of the cause of the termination).

Potential severance payments in the event of termination or change of control of Cott for each named executive officer, as applicable, are described more particularly below under the heading **Potential Payments Upon Termination or Change of Control** on page 41 of this proxy circular.

#### ***Jerry Fowden Employment Agreement***

In February 2009, we entered into an employment letter agreement with Jerry Fowden to serve as our Chief Executive Officer. The agreement has an indefinite term and provides for an annual base salary, which was increased to \$800,000 in 2012, and a car allowance. Mr. Fowden is eligible to participate in our annual performance bonus plan with an annual target bonus equal to 80% of his base salary. Mr. Fowden's annual bonus target was increased to 90% of his base salary in 2010 and to 100% of his base salary in 2011.

Mr. Fowden is also eligible to participate in all of our long-term incentive plans made available from time to time to our senior executives at the discretion of the Compensation Committee, including the Amended and Restated Equity Plan. The grants to Mr. Fowden under the Amended and Restated Equity Plan are set forth in the **Grants of Plan-Based Awards Table in Fiscal 2013** on page 39 of this proxy circular.

Mr. Fowden participates in the Severance Plan, pursuant to which he is subject to standard confidentiality undertakings and non-disparagement covenants that survive the termination of his employment, regardless of the cause of the termination. He is also subject to a non-competition covenant that generally limits his ability to compete with us in any countries in which we conduct business, as well as a non-solicitation covenant. These limitations continue during the term of employment and for a period of one year following termination, regardless of the cause of the termination.

#### ***Jay Wells Employment Agreement***

In January 2012, we entered into an offer letter agreement with Jay Wells to serve as our Chief Financial Officer. The agreement has an indefinite term and provides for an annual base salary of \$350,000 and a car allowance. Mr. Wells received a long-term incentive award equal to \$437,500, an inducement bonus in the amount of \$60,000 payable on March 20, 2012, and an inducement bonus in the amount of \$65,000 payable on March 20, 2013. Mr. Wells is eligible to participate in our annual performance bonus plan with an annual target bonus equal to 75% of his base salary.

Mr. Wells is also eligible to participate in our benefit plans made available to our employees and senior executives, as well as our long-term incentive plans at the discretion of the Compensation Committee, including the Amended and Restated Equity Plan. The grants to Mr. Wells under the Amended and Restated Equity Plan are set forth in the **Grants of Plan-Based Awards Table in Fiscal 2013** on page 39 of this proxy circular.





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Mr. Wells is subject to a restrictive covenant that generally limits his ability to compete with us in any countries in which we conduct business, as well as a non-solicitation covenant. These limitations continue during the term of employment and for a period of nine months following termination, regardless of the cause of the termination. Effective January 1, 2014, Mr. Wells participates in the Severance Plan, pursuant to which he is subject to standard confidentiality undertakings and non-disparagement covenants that survive the termination of his employment, regardless of the cause of the termination.

### ***Steven Kitching Employment Agreement***

On February 14, 2013, we entered into an offer letter agreement with Steven Kitching to serve as our President U.S. Business Unit. The agreement has an indefinite term and provides for an annual base salary of \$380,000 and a car allowance. Under the terms of his offer letter agreement, Mr. Kitching received a long-term incentive award equal to 100% of his base salary, as well as a one-time long-term incentive award in the amount of \$300,000. Mr. Kitching is eligible to participate in our annual performance bonus plan with an annual target bonus equal to 75% of his base salary.

Mr. Kitching is also eligible to participate in our benefit plans made available to our employees and senior executives, as well as our long-term incentive plans at the discretion of the Compensation Committee, including the Amended and Restated Equity Plan. The grants to Mr. Kitching under the Amended and Restated Equity Plan are set forth in the **Grants of Plan-Based Awards Table in Fiscal 2013** on page 39 of this proxy circular.

Mr. Kitching is subject to a restrictive covenant that generally limits his ability to compete with us in any countries in which we conduct business, as well as a non-solicitation covenant. These limitations continue during the term of employment and for a period of nine months following termination, regardless of the cause of the termination. Effective January 1, 2014, Mr. Kitching participates in the Severance Plan, pursuant to which he is subject to standard confidentiality undertakings and non-disparagement covenants that survive the termination of his employment, regardless of the cause of the termination.

### ***Marni Poe Employment Agreement***

In January 2010, we entered into an offer letter agreement with Marni Poe to serve as our Vice President, General Counsel. The agreement has an indefinite term and provides for an annual base salary, which was increased to \$331,632 in 2012. Ms. Poe is eligible to participate in our annual performance bonus plan with an annual target bonus equal to 50% of her base salary. Ms. Poe's annual bonus target was increased to 75% of her base salary in 2012.

Ms. Poe is also eligible to participate in our benefit plans made available to our employees and senior executives, as well as our long-term incentive plans at the discretion of the Compensation Committee, including the Amended and Restated Equity Plan. The grants to Ms. Poe under the Amended and Restated Equity Plan are set forth in the **Grants of Plan-Based Awards Table in Fiscal 2013** on page 39 of this proxy circular. The Compensation Committee conducted a perquisite review in 2011 and determined that the award of a car allowance to Ms. Poe was appropriate.

Ms. Poe is subject to a restrictive covenant that generally limits her ability to compete with us in any countries in which we conduct business, as well as a non-solicitation covenant. These limitations continue during the term of employment and for a period of six months following termination, regardless of the cause of the termination. Effective January 1, 2014, Ms. Poe participates in the Severance Plan, pursuant to which she is subject to standard confidentiality undertakings and non-disparagement covenants that survive the termination of her employment, regardless of the cause of termination.

### ***Carlos Baila Employment Agreement***

In September 2012, we entered into an offer letter agreement with Carlos Baila to serve as our Chief Procurement Officer. The agreement has an indefinite term and provides for an annual base salary of \$290,000

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and a car allowance. Under the terms of the offer letter agreement, Mr. Baila received a long-term incentive award equal to \$217,500. Mr. Baila is eligible to participate in our annual performance bonus plan with an annual target bonus equal to 50% of his base salary.

Mr. Baila is also eligible to participate in our benefit plans made available to our employees and senior executives, as well as our long-term incentive plans at the discretion of the Compensation Committee, including the Amended and Restated Equity Plan. The grants to Mr. Baila under the Amended and Restated Equity Plan are set forth in the **Grants of Plan-Based Awards Table in Fiscal 2013** on page 39 of this proxy circular.

Mr. Baila is subject to a restrictive covenant that generally limits his ability to compete with us in any countries in which we conduct business, as well as a non-solicitation covenant. These limitations continue during the term of employment and for a period of nine months following termination, regardless of the cause of the termination.

**Grants of Plan-Based Awards in Fiscal 2013**

The following table sets forth information with respect to performance-based restricted share units, time-based restricted share units and stock options granted under the Amended and Restated Equity Plan during the year ended December 28, 2013 to each of our named executive officers, as well as the range of possible cash payouts to each of our named executive officers under our annual performance bonus plan for achievement of specified levels of performance in fiscal 2013.

| Name            | Grant Date | Board Approval Date | Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup> |             |              | Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(2)</sup> |            |             | All Other Awards: Number of Shares or Units <sup>(3)</sup> (#) | All Other Awards: Number of Securities Underlying Options <sup>(4)</sup> (#) | Exercise or Base Price of Option Awards <sup>(5)</sup> (\$/Sh) | Grant Date Fair Value of Stock Awards and Options <sup>(5)</sup> (\$) |  |  |  |  |         |
|-----------------|------------|---------------------|--|-------------|--------------|--|------------|-------------|--|--|--|---|--|--|--|--|---------|
|                 |            |                     | Threshold (\$)   | Target (\$) | Maximum (\$) | Threshold (#)  | Target (#) | Maximum (#) |  |  |  |   |  |  |  |  |         |
| Jerry Fowden    | 5/2/2013   | 4/29/2013           | 400,000  | 800,000     | 1,600,000    | 29,386   | 73,466     | 91,833      | 48,977   |  | 682,499  |   |  |  |  |  |         |
|                 | 5/2/2013   | 4/29/2013           |  |             |              |  |            |             |  |  |  |   |  |  |  |  | 454,996 |
|                 | 5/2/2013   | 4/29/2013           |  |             |              |  |            |             |  |  |  |   |  |  |  |  | 166,463 |
| Jay Wells       | 5/2/2013   | 4/29/2013           | 131,250  | 262,500     | 525,000      | 7,407  | 18,518     | 23,148      | 12,345   |  | 172,032  |   |  |  |  |  |         |
|                 | 5/2/2013   | 4/29/2013           |  |             |              |  |            |             |  |  |  |   |  |  |  |  | 114,685 |
|                 | 5/2/2013   | 4/29/2013           |  |             |              |  |            |             |  |  |  |   |  |  |  |  | 41,959  |
| Steven Kitching | 5/2/2013   | 4/29/2013           | 142,500  | 285,000     | 570,000      | 10,980   | 27,449     | 34,311      | 18,299   |  | 255,001  |   |  |  |  |  |         |
|                 | 5/2/2013   | 4/29/2013           |  |             |              |  |            |             |  |  |  |   |  |  |  |  | 169,998 |
|                 | 5/2/2013   |                     |  |             |              |  |            |             |  |  |  |   |  |  |  |  |         |