

MOLSON COORS BREWING CO
Form DEF 14A
April 15, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)
Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
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MOLSON COORS BREWING COMPANY
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
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- (3) Filing Party:
 - (4) Date Filed:
-

Notice of 2016 Annual Meeting of Stockholders and Proxy Statement

Wednesday, May 25, 2016
11:00 a.m., Mountain Daylight Time
Ritz-Carlton Hotel, 1881 Curtis Street, Denver, Colorado 80202

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1801 California Street Suite 4600

Denver, CO 80202, USA

April 15, 2016

Dear Fellow Molson Coors Brewing Company Stockholders,

You are invited to attend our 2016 Annual Meeting of Stockholders (Annual Meeting), which will be held on Wednesday, May 25, 2016, at 11:00 a.m., Mountain Daylight Time, at the Ritz-Carlton Hotel, 1881 Curtis Street, Denver, Colorado 80202. Molson Coors Brewing Company (Molson Coors, the Company, we, us or our) alternates its annual meetings between its two principal executive offices in Montréal, Québec, and Denver, Colorado. This year, we are pleased to return to Colorado, the home of the original Coors brewery.

At the Annual Meeting, we will ask our stockholders to elect our Board of Directors (the Board), provide their advisory approval of our executive compensation, and ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016. We will also review the Company's progress during the past year and discuss any new business matters properly brought before the meeting. The attached 2016 Notice of Annual Meeting and Proxy Statement explains our voting procedures, describes the business we will conduct at the Annual Meeting, and provides information about the Company that you should consider when you vote your shares.

Company Performance¹

The most important strategic development for Molson Coors in 2015 was the definitive agreement we reached late in the year to purchase the 58% of MillerCoors that we do not currently own, along with the international rights to the Miller brands. This is a game-changing transaction for the Company, that we believe is compelling both financially and strategically. In January, we conducted a common stock offering that will fund just over 20% of the total purchase price and helps us to maintain investment grade ratings on our debt. We plan to fund the balance of the purchase price with new debt and cash on hand. We have a dedicated team working toward completion of the pending transaction, which is currently expected in the 2nd half of 2016. Meanwhile, the rest of our organization remains absolutely focused on growing our existing business and brands, as well as delivering total returns to our shareholders.

With regard to business performance, we exceeded our targets for cash generation and cost savings and expanded underlying gross and pretax margins globally. We grew our above premium business globally, including craft, flavored malt beverages (FMBs) and cider; we gained share of the key premium light segment in the U.S.; and accelerated the growth of our International business, including a bolt-on acquisition in the fast-growing India market. We continued to focus on building a stronger brand portfolio, delivering value-added innovation, strengthening our core brand positions through incremental marketing investments, and continuing to premiumize our portfolio. We began to see the benefits flow to our top-line performance as the year progressed. For example, Coors Light and Miller Lite both gained share of the premium light segment in the U.S. in the last three quarters of 2015, and Coors Light grew 0.3% globally and more than 15% in our Europe and International markets for the full year. In constant currency, we achieved positive net pricing globally, as well as in most of our major markets. These achievements are

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against a backdrop of a continued difficult economy and competitive pressures, along with significant unfavorable foreign currency movements and the termination of major business contracts, as we highlighted throughout last year. Our focus on growing our above-premium segment continued in 2015 as we completed the acquisition of Saint Archer in the U.S., the Rekorderlig cider brand distribution rights in the U.K. and Ireland, and repatriated the rights to Staropramen in the U.K. We also expanded our global footprint and accelerated the growth of our International business through the acquisition of Mount Shivalik Breweries in India and our recent entrance into the Colombian beer market. Our craft portfolio drove growth from Doom Bar in the U.K., Granville Island in Canada, and Blue Moon in the U.S. and U.K. Our emerging cider portfolio delivered strong growth, led by Carling British Cider in Europe, Molson Canadian Cider and Strongbow in Canada and Smith & Forge Hard Cider in the U.S.

We also used our Profit After Capital Charge (PACC) model as the key driver for our cash and capital allocation decisions. As a result, we drove additional working capital improvements. PACC informed our approach to the MillerCoors acquisition, along with the Mount Shivalik, Staropramen U.K. and Rekorderlig transactions, and the restructure of our China business last year.

Additionally, we continued to transform and strengthen our business through improvements to our sales execution and revenue management capabilities, increased efficiency of our operations, and implementing common global systems. To ensure that our supply chain is fit for future, we closed two bottling lines and completed or announced plans to close four breweries across the Company, along with the planned recapitalization of our Vancouver brewery. We exceeded our cost-reduction goal of \$40 to \$60 million in Molson Coors by delivering almost \$65 million of savings in 2015. In addition, MillerCoors achieved \$88 million of cost reductions in 2015, of which our share was \$37 million. In performance headlines for 2015:

We delivered \$1.33 billion of underlying Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), and \$700.4 million of underlying after-tax income, or \$3.76 per diluted share. Underlying after-tax income declined 8.9% from a year ago.

Foreign currency movements and terminated contracts drove the entire decline in both underlying pretax and post-tax income in 2015. Foreign currency impacted earnings by more than \$64 million in 2015, while the termination of our Miller brands contract in Canada, and our Modelo brands and Heineken brewing contracts in the U.K, drove an additional negative impact of approximately \$40 million.

We expanded our PACC model deeper into the Company: Earn More, Use Less and Invest Wisely is now a common mantra throughout Molson Coors.

Net sales for the year declined 2.2% in constant currency, driven by the effect of terminated contracts.

Strong volume performance in Europe and International helped to grow overall worldwide Coors Light volumes for the year.

Our overall profit and cash performance, along with the potential of the MillerCoors transaction, helped to drive a positive total shareholder return (TAP stock price, plus dividends) of nearly 29% in 2015, which is well above the 1% increase in the total return for the S&P 500 Index last year.

Good corporate citizenship is another key priority at Molson Coors. As brewers, we have a unique responsibility because we make a product that should be enjoyed by legal-drinking-age adults. We have a long tradition of actively engaging in our communities and continuously improving our operational performance. We also foster an environment where people are proud to work. The Board is committed

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to seeing that we continue to live up to these responsibilities (Our Beer Print). Our Beer Print recognizes and promotes our positive impact on our communities, people and the environment. From 2008-2015, we reduced costs related to waste fees and taxes, lowered energy and water usage, and increased sales of materials that would otherwise have been discarded. This not only contributed substantially to cost savings, but it is also the kind of effort that resulted in us being recognized by the Dow Jones Sustainability Index for the past five years, including two years as the Global Beverage Sector Leader (among much larger brewers and other beverage companies). As one specific milestone, all of our major breweries in the U.S. are now landfill-free.

In 2016, we will have a relentless focus on delighting our consumers and our customers to ensure we are the First Choice brewer in the geographies and segments in which we operate. Through 2016 and beyond, the management team will continue to drive our strategy of building a stronger brand portfolio that is delivering value-added innovation, strengthening our core brand positions, and increasing our share in the above premium, FMB, craft and cider segments. The team intends to do this while ensuring that we have a fit for purpose cost base and a deeply embedded, PACC-led capital allocation approach.

The Annual Meeting

We hope you will be able to attend the Annual Meeting. Whether or not you plan to attend, your vote is important to us. We urge you to review our proxy materials and promptly cast your vote by telephone, via the Internet, or mark, sign, date and return the proxy/voting instruction card in the envelope provided, so that your shares will be represented and voted at the Annual Meeting, even if you cannot personally attend.

Thank you for your support of Molson Coors.

Sincerely,

Geoffrey E. Molson
Chairman of the Board

Peter H. Coors
Vice Chairman of the Board

1 The Company calculates non-GAAP underlying after-tax income and underlying EBITDA by excluding special and other non-core items from the nearest U.S. GAAP performance measure which is net income from continuing operations attributable to the Company for both underlying after-tax income and underlying EBITDA. Constant currency is a non-GAAP financial measure which restates 2015 results using 2014 average foreign exchange rates to enhance the visibility of the underlying business trends by excluding the impact of foreign currency fluctuations. Our management uses underlying after-tax income, underlying after-tax income per diluted share, underlying EBITDA and constant currency as measures of operating performance to assist in comparing performance from period-to-period on a consistent basis; as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations; in communications with the Board, stockholders, analysts and investors concerning our financial performance; as useful comparisons to the performance of our competitors; and as metrics of certain management incentive compensation calculations. We have provided reconciliations of all non-GAAP measures to their nearest U.S. GAAP measure and have consistently applied the adjustments within our reconciliations in arriving at each non-GAAP measure in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (see page 37 of the Form 10-K for a reconciliation of underlying after-tax income to its nearest U.S. GAAP measure; and page 39 of the Form 10-K for a reconciliation of underlying EBITDA to its nearest GAAP measure).

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KEY TERMS

Annual Meeting	2016 Annual Meeting of Stockholders
Annual Report or Form 10-K	Annual Report on Form 10-K for the fiscal year ended December 31, 2015
Board	Board of Directors of the Company
Broadridge	Broadridge Financial Services Inc.
Broker	Your bank, broker or other nominee, to the extent you hold shares as a beneficial stockholder
Bylaws	Third Amended and Restated Bylaws of the Company
CAD	Canadian Dollar
Canadian Retirement Plan	Molson Canada Pension Plan for Salaried Employees
CD&A	Compensation Discussion and Analysis
CEO	Chief Executive Officer of the Company
CFO	Chief Financial Officer of the Company
Chairman	Chairman of the Board of the Company
CIC Program	Change in Control Program
Class A common stock	Class A common stock, par value \$0.01 per share, of the Company
Class A exchangeable shares	Class A exchangeable shares of Exchangeco
Class B common stock	Class B common stock, par value \$0.01 per share, of the Company
Class B exchangeable shares	Class B exchangeable stock of Exchangeco
COBRA	Consolidated Omnibus Budget Reconciliation Act
Code	Internal Revenue Code of 1986, as amended
Compensation Committee	Compensation and Human Resources Committee
Considered EPS	Underlying Considered Earnings Per Share
Coors Trust	Adolph Coors Company, LLC, the trust holding company of the Adolph Coors Jr. Trust
CST	CST Trust Company
Computershare	Computershare Trust Company, N.A.
DC SERP	Defined Contribution Supplemental Executive Retirement Plan
DGCL	Delaware General Corporation Law, as amended
Directors' Stock Plan	Company's director stock plan
Dodd-Frank	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended
DSUs	Deferred Stock Units
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EFRBS	Employer Financed Retirement Benefit Scheme
ERM Program	Enterprise Risk Management Program
Exchange Act	The Securities Exchange Act of 1934, as amended
Exchangeco	Molson Coors Canada Inc., a Canadian corporation and a wholly-owned indirect subsidiary of the Company
FASB	Financial Accounting Standards Board
FASB Topic 718	FASB Accounting Standards Codification 718, Compensation-Stock Compensation

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GAAP	Generally Accepted Accounting Principles in United States of America
GBP	British Pound or Great Britain Pound
Global Mobile Workers Policy	Collectively, the Molson Coors Relocation, Senior Mobile Workers and International Policies of the Company
HMRC	Her Majesty's Revenue & Customs
HLs	Hectoliters
IDCP	Individual Deferred Compensation Plan of the Company
Incentive Plan	The Company's Incentive Compensation Plan
IRS	Internal Revenue Service
LTIP	Long-Term Incentive Program of the Company
MCI	Coors Brewing Company d/b/a Molson Coors International
MCIP	Molson Coors Incentive Plan
MillerCoors	MillerCoors LLC
MillerCoors Plan	MillerCoors Savings and Investment Plan
Molson Coors, the Company, we, us or our	Molson Coors Brewing Company and its consolidated subsidiaries
NEO(s)	Named Executive Officer(s) of the Company
NSR	Net Sales Revenue
NYSE	New York Stock Exchange
PACC	Profit After Capital Charge
Pay Governance or the Compensation Consultant	Pay Governance LLC
PCAOB	Public Company Accounting Oversight Board
Pentland	Pentland Securities (1981) Inc.
PSUs or Performance Equity	Performance Stock Units
PUs	Performance Units
PwC	PricewaterhouseCoopers LLP
Record Date	March 31, 2016 the record date for the Annual Meeting
Relative TSR	Company's Total Shareholder Return Percentile Relative to the S&P 500
Restated Certificate of Incorporation	Restated Certificate of Incorporation of the Company, as amended
RSUs	Restricted Stock Units
SABMiller	SABMiller plc
SEC	Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan of the Company
Severance Pay Plan	The Company's Severance Pay Plans
SOSARs	Stock Only Stock Appreciation Rights
Special Class A voting stock	Special Class A voting stock, par value \$0.01 per share, of the Company
Special Class B voting stock	Special Class B voting stock, par value \$0.01 per share, of the Company
Supplemental Thrift Plan	Molson Coors Supplemental Savings and Investment Plan
Thrift Plan	Molson Coors Brewing Company Savings and Investment Plan
TSR	Total Shareholder Return
TSX	Toronto Stock Exchange

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2016 NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Wednesday, May 25, 2016, 11:00 a.m., Mountain Daylight Time

Ritz-Carlton Hotel, 1881 Curtis Street, Denver, Colorado 80202

The Annual Meeting of Molson Coors will be held for the following purposes:

- | | |
|-----------------|--|
| Proposal One. | To elect the 14 director nominees identified in the accompanying Proxy Statement. |
| Proposal Two. | To approve, on an advisory basis, the compensation of the Company's named executive officers. |
| Proposal Three. | To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016. |

To transact such other business as may be brought properly before the meeting and any and all adjournments or postponements thereof.

Record Date. In accordance with the Company's Bylaws and action of the Board, stockholders of record at the close of business on March 31, 2016 are entitled to receive notice of the Annual Meeting and to vote at the Annual Meeting and any and all adjournments or postponements thereof.

Notice of Internet Availability of Proxy Materials. On or about April 15, 2016, we will begin mailing a Notice of Internet Availability of Proxy Materials for the Annual Meeting containing instructions on how to access our proxy materials and vote online. Our Proxy Statement and related exhibits accompanying this notice of Annual Meeting and our Annual Report can be accessed by following the instructions in the Notice of Internet Availability of Proxy Materials.

Proxy Voting. We hope you will be able to attend the Annual Meeting. Whether or not you plan to attend, your vote is important to us. We urge you to review our proxy materials and promptly submit your proxy/voting instructions by telephone or via the Internet, or mark, sign, date and return the proxy/voting instruction card in the envelope provided, so that your shares will be represented and voted at the Annual Meeting, even if you cannot personally attend. For more information about how to vote your shares, please see the discussion under the heading "Questions and Answers" of our Proxy Statement.

Thank you for your interest in the Company. We look forward to seeing you at the Annual Meeting.

By order of the Board, Molson Coors Brewing Company

E. Lee Reichert

Deputy General Counsel and Secretary

April 15, 2016

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PROXY STATEMENT

The Board of Molson Coors is furnishing this Proxy Statement in connection with the solicitation of proxies for use at the Annual Meeting, which will be held at 11:00 a.m., Mountain Daylight Time, on Wednesday, May 25, 2016, at the Ritz-Carlton Hotel, 1881 Curtis Street, Denver, Colorado 80202. The proxies may also be voted at any adjournments or postponements of that Annual Meeting.

Molson Coors has dual principal executive offices located at 1801 California Street, Suite 4600, Denver, Colorado, USA 80202 and 1555 Notre Dame Street East, Montréal, Québec, Canada H2L 2R5 (each a Principal Executive Office and, collectively, the Principal Executive Offices).

We will begin mailing a Notice of Internet Availability of Proxy Materials for the Annual Meeting, containing instructions on how to access our proxy materials and vote online, on or about April 15, 2016.

Advanced Voting Methods

Even if you plan to attend the Annual Meeting in person, please vote right away using one of the following voting methods (see Question 6 of our section entitled "Questions and Answers" of our Proxy Statement for additional details). Make sure to have your proxy/voting instruction card in hand and follow the instructions.

You can vote in advance in one of the following three ways:

VIA THE

INTERNET

website listed on your proxy card

Visit the

BY TELEPHONE

Call the telephone

number listed on your proxy card

BY

MAIL

Sign,

date and return your proxy card in the enclosed envelope

All properly executed proxies delivered by mail, and all properly completed proxies submitted via the Internet or by telephone that are delivered pursuant to this solicitation, will be voted at the Annual Meeting in accordance with the directions given in the proxy, unless the proxy is revoked prior to completion of voting at the Annual Meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON MAY 25, 2016

The Notice of Annual Meeting, this Proxy Statement and the Annual Report are available at www.proxyvote.com.

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PROXY SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. It does not contain all of the information that you should consider. You should read the entire Proxy Statement carefully before voting.

Corporate Governance Highlights - Page [26](#)

Molson Coors is committed to strong corporate governance, corporate responsibility and the accountability of our Board and our senior management team to the Company's stockholders. Highlights of our corporate governance program include:

- Long standing commitment to corporate responsibility and sustainability (Our Beer Print);
- Separate CEO and the Chairman;
- Annual advisory say-on-pay vote for all stockholders;
- Executive sessions of independent directors generally at each regularly scheduled Board and Committee meeting;
- Annual election of all directors;
- Independent Audit, Compensation and Finance Committees;
- Active stockholder engagement;
- Significant director and executive officer stock holding requirements;
- Regular Board and Committee self-evaluations;
- Robust anti-hedging, short sales and anti-pledging policies;
- Clawback policy (including enhancements made in 2015); and
- Majority of independent directors.

Voting Matters and Board Recommendations

Management Proposal	Recommendation	Page of Proxy
Election of 14 director nominees (Proposal No. 1)	FOR all director nominees	16
Advisory Approval of Executive Compensation (Proposal No. 2)	FOR	47
Ratification of appointment of PriceWaterhouseCoopers LLP as our independent registered public accounting firm (Proposal No. 3)	FOR	90

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Proposal No. 1 — Election of Directors - Page 16

2016 Nominees for Class A Directors

Name	Age ¹	Director Since	Primary Occupation	Committee Memberships	Independent
Peter H. Coors	69	2005	Chairman of the Board, MillerCoors LLC	Nominating	NO
Peter J. Coors	39	2015	Brewery Manager (Shenandoah Brewery), MillerCoors LLC	Nominating	NO
Betty K. DeVita	55	N/A	Chief Commercial Officer, MasterCard Labs, MasterCard Inc.	None	YES
Mary Lynn Ferguson-McHugh	56	2015	Group President, Global Family Care & P&G Ventures, Proctor & Gamble Co.	Compensation	YES
Franklin W. Hobbs	68	2005	Advisor, One Equity Partners	Audit; Finance	YES
Mark R. Hunter	53	2015	President and Chief Executive Officer, Molson Coors	None	NO
Andrew T. Molson	48	2005	Partner and Chairman, RES PUBLICA Consulting Group	Nominating	NO
Geoffrey E. Molson	45	2009	Owner, President and Chief Executive Officer, CH Group Limited Partnership	Nominating	NO
Iain J.G. Napier	66	2008	Chairman, John Menzies plc Chairman, McBride plc	Audit; Finance	YES
Douglas D. Tough	66	2012	Director of Reckitt Benckiser Group plc	Compensation	YES
Louis Vachon	53	2012	President and Chief Executive Officer, National Bank of Canada	Finance	YES

2016 Nominees for Class B Directors

Name	Age ¹	Director Since	Primary Occupation	Committee Memberships	Independent
Roger G. Eaton	54	2012	Chief Executive Officer of KFC, a division of Yum! Brands, Inc.	Audit	YES
Charles M. Herington	56	2005	Vice Chairman and Executive Vice President, Zumba Fitness, LLC	Audit	YES
H. Sanford Riley	65	2005	President and Chief Executive Officer, Richardson Financial Group Limited	Nominating; Compensation	YES

¹ Age as of the Record Date (March 31, 2016).

The Board, the Nominating Committee or the relevant Nominating Subcommittee recommends a vote FOR each of the persons listed above, and executed proxies that are returned will be so voted unless otherwise instructed.

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Proposal No. 2 — Advisory Vote to Approve Named Executive Officer Compensation (The Advisory Say-On-Pay Vote)
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Our strategic objective is to delight the world's beer drinkers, achieved by being the first choice for consumers and customers in the geographies and segments in which we operate. Our strategy drives our compensation and the choices we make as a business. Our majority-independent Board and entirely independent Compensation Committee work harmoniously to advance this strategy. From a compensation vantage, this means designing programs that motivate our management team to deliver TSR and implement our strategy in both the short and long term.

Our executive compensation program is designed to reward the executive team for performance. In 2015, as in prior years, our programs continue to be characterized by:

- | | |
|---|---|
| Strong link between compensation and performance | Diverse performance metrics |
| Executive compensation tally sheets | Diverse short- and long-term incentive vehicles |
| Clawback provisions (including enhancements adopted in 2015) | No stock option re-pricing without stockholder approval |
| Use of peer group and comparable industry data | Few prerequisites |
| Significant executive and director stock ownership guidelines | Anti-pledging policy |
| No excise tax gross-ups for future executives | Robust anti-hedging and short sale policy |
| No excessive risk taking in our executive compensation programs | |
| In connection with his promotion to President and CEO in 2015, Mr. Hunter forfeited his right to receive an excise tax gross-up under the Company's CIC Program | |
| Segregation of duties between the independent Compensation Committee, the Board, the independent compensation consultant and management | |

The Board recommends a vote FOR the advisory vote to approve the compensation of the Company's named executive officers and executed proxies that are returned will be so voted unless otherwise instructed.

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Proposal No. 3 — Ratify Appointment of Independent Registered Public Accounting Firm - Page 90

On February 24, 2016, the Audit Committee approved the reappointment of PwC as our independent registered public accounting firm for the 2016 fiscal year. Our Board is asking for ratification of this appointment at the Annual Meeting by holders of the Class A common stock and Class A exchangeable shares. The following table sets forth the aggregate fees billed by PwC for professional services rendered to Molson Coors related to fiscal years 2015 and 2014. Certain fees related to the 2015 fiscal year reflect estimates, however, we do not anticipate final billings to differ significantly from amounts presented below.

	Fiscal Year	
	2015	2014
	(In thousands \$)	
Audit Fees ⁽¹⁾	3,634	4,119
Audit-Related Fees ⁽²⁾	295	162
Tax Fees ⁽³⁾	101	77
All Other Fees ⁽⁴⁾	4	345
Total Fees ⁽⁵⁾	4,034	4,703

Aggregate fees for professional services rendered by PwC in connection with its audit of our consolidated financial statements and our internal control over financial reporting for the fiscal years 2015 and 2014 included in Form 10-K and the quarterly reviews of our financial statements included in Forms 10-Q.

² Includes amounts related to pension plan audits, royalty audits, recycling audits and donation fund audits performed in Canada for fiscal years 2015 and 2014, as well as fees related to comfort letters issued in connection with a debt offering in 2015, fees related to certain acquisitions in 2015 and fees related to correspondence with the SEC in 2014.

³ Fees consist of tax compliance work and other tax services performed for fiscal years 2015 and 2014.

⁴ Fees incurred for assistance provided on business process improvements in Canada in 2014, as well as special tax, accounting and compensation projects in 2014 and for subscriptions provided by PwC in 2015 and 2014.

⁵ Fees were translated using the United States Dollars (USD) exchange rates prevailing when the fees were incurred and billed.

The Board recommends a vote FOR the proposal ratifying the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year ending December 31, 2016, and executed proxies that are returned will be so voted unless otherwise instructed.

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Questions and Answers

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QUESTIONS AND ANSWERS

Proxy Materials and Voting Information

1. What are the Company's outstanding voting securities?

The outstanding classes of our voting securities include our Class A common stock and Class B common stock. In addition, we have outstanding Special Class A voting stock and Special Class B voting stock, through which the holders of Class A exchangeable shares and Class B exchangeable shares issued by Exchangeco, may exercise their voting rights with respect to the Class A common stock and Class B common stock in which the Class A exchangeable shares and Class B exchangeable shares may be respectively exchanged. As such, holders of Class A exchangeable shares and Class B exchangeable shares are effectively entitled to vote at the Annual Meeting on an equivalent basis with holders of Class A common stock and Class B common stock through a voting trust arrangement pursuant to which the holders of such exchangeable shares can provide voting instructions in respect of their exchangeable shares to CST as trustee and registered shareholder of the Special Class A voting stock and Class B voting stock.

Each holder of record of the Class A common stock, Class B common stock, Class A exchangeable shares and Class B exchangeable shares is entitled to one vote for each share held, without the ability to cumulate votes on the election of directors.

For more details regarding our various classes of stock, including the differences between our Class A common stock and Class B common stock and our common stock and our exchangeable shares, please refer to the "Common Stock and Exchangeable Shares", Questions and Answers section of this Proxy Statement.

2. What is the Record Date for the Annual Meeting and what does it mean?

The Record Date for the Annual Meeting is March 31, 2016. The Record Date is established by the Board as required by the DGCL and the Company's Bylaws. Owners of record of Class A common stock, Class B common stock, Class A exchangeable shares and Class B exchangeable shares at the close of business on the Record Date are entitled to:

- receive notice of the Annual Meeting; and
- vote at the Annual Meeting as applicable and any adjournments or postponements of the Annual Meeting.

3. How many shares are outstanding?

As of the close on the Record Date, there were outstanding 2,562,594 shares of Class A common stock, and 193,792,118 shares of Class B common stock, one share of Special Class A voting stock (representing the voting rights attached to the 2,888,691 outstanding Class A exchangeable shares) and one share of Special Class B voting stock (representing the voting rights attached to the 15,438,961 outstanding Class B exchangeable shares).

Questions and Answers

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4. What are my voting choices for each of the proposals to be voted on at the Annual Meeting; who is eligible to vote; and what are the voting standards?

Proposal	Eligible to Vote	Voting Choices and Board Recommendation	Voting Standard
Proposal 1: Election of Directors of eleven Class A Directors	Class A common stock	<ul style="list-style-type: none">• vote for all nominees	