

Gabelli Global Deal Fund
Form N-Q
November 30, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY
Investment Company Act file number 811-21969
The Gabelli Global Deal Fund**

(Exact name of registrant as specified in charter)
One Corporate Center
Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)
Bruce N. Alpert
Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422

(Name and address of agent for service)
Registrant's telephone number, including area code: 1-800-422-3554
Date of fiscal year end: December 31
Date of reporting period: September 30, 2009

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments.

The Schedule(s) of Investments is attached herewith.

The Gabelli Global Deal Fund
 Third Quarter Report
 September 30, 2009

To Our Shareholders,

During the third quarter of 2009, The Gabelli Global Deal Fund's (the "Fund") total return was 3.3% on a net asset value (NAV) basis while the 3 Month U.S. Treasury Bill Index rose 0.1% over the same period. The total return for the Fund's publicly traded shares was 12.1% for the third quarter.

Enclosed is the investment portfolio as of September 30, 2009.

Comparative Results

Average Annual Returns through September 30, 2009 (a)

	<u>Quarter</u>	<u>Year to Date</u>	<u>1 Year</u>	<u>2 Year</u>	<u>Since Inception (01/31/07)</u>
Gabelli Global Deal Fund					
NAV Total Return (b)	3.25%	5.48%	3.20%	0.06%	1.69%
Investment Total Return (c)	12.05	19.95	15.88	2.44	(2.33)
3 Month U.S. Treasury Bill Index	0.07	0.17	0.39	1.35	2.54
S&P 500 Index	15.59	19.27	(6.91)	(14.77)	(8.85)

(a) *R e t u r n s represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end.*

Performance returns for periods of less than one year are not annualized.

Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The 3 Month U.S. Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into the outstanding Treasury Bill that matures closest to, but not beyond three months from the re-balancing date. To qualify for selection, an issue must have settled on or before the re-balancing (month end) date. The S&P 500 Index is an unmanaged indicator of stock market performance. Dividends are considered reinvested except for the 3 Month

U.S. Treasury Bill Index. You cannot invest directly in an index.

(b) *Total returns and average annual returns reflect changes in the NAV per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06.*

(c) *Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange and reinvestment of distributions. Since inception return is based on an initial offering price of \$20.00.*

We have separated the portfolio manager's commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio manager's commentary is unrestricted. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

THE GABELLI GLOBAL DEAL FUND
SCHEDULE OF INVESTMENTS
September 30, 2009 (Unaudited)

<u>Shares</u>		<u>Market Value</u>
	COMMON STOCKS 44.4%	
	Aerospace and Defense 0.3%	
60,000	Hi-Shear Technology Corp.	\$ 1,144,200
	Agriculture 0.0%	
1,000	Provimi SA	18,277
	Business Services 1.4%	
8,000	Acxiom Corp.	75,680
200,000	BPW Acquisition Corp.	1,958,000
74,200	Clear Channel Outdoor Holdings Inc., Cl. A	519,400
115,000	Diebold Inc.	3,786,950
1,000	Pomeroy IT Solutions Inc.	6,450
		6,346,480
	Cable and Satellite 0.0%	
27,000	Zon Multimedia Servicos de Telecomunicacoes e Multimedia SGPS SA	183,092
	Computer Hardware 0.2%	
50,000	SanDisk Corp.	1,085,000
	Computer Software and Services 15.2%	
82,000	Affiliated Computer Services Inc., Cl. A	4,441,940
2,000	i2 Technologies Inc.	32,080
20,000	Mentor Graphics Corp.	186,200
221,700	MSC.Software Corp.	1,864,497
500,000	Omniture Inc.	10,720,000
400,000	Perot Systems Corp., Cl. A	11,880,000
21,600	Soapstone Networks Inc.	11,988
400,000	SPSS Inc.	19,980,000
1,950,000	Sun Microsystems Inc.	17,725,500
110,000	Yahoo! Inc.	1,959,100
		68,801,305
	Consumer Products 0.3%	
42,000	Harman International Industries Inc.	1,422,960
12,000	Heelys Inc.	25,440
		1,448,400

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	Diversified Industrial 1.5%	
50,000	GenTek Inc.	1,902,000
475,000	Myers Industries Inc.	5,115,750
		7,017,750
	Educational Services 0.0%	
1,000	Corinthian Colleges Inc.	18,560
	Electronics 0.6%	
211,700	Alliance Semiconductor Corp.	55,042
102,000	Bel Fuse Inc., Cl. A	1,888,020
3,000	Chartered Semiconductor Manufacturing Ltd., ADR	55,050
28,000	International Rectifier Corp.	545,720
2,400	NYFIX Inc.	3,960
		2,547,792
	Energy and Utilities 4.4%	
1,000	BJ Services Co.	19,430
50,000	Canadian Hydro Developers Inc.	240,508
55,000	Constellation Energy Group Inc.	1,780,350
275,000	Endesa SA	9,086,719
<u>Shares</u>		<u>Market Value</u>
127,000	Great Plains Energy Inc.	\$ 2,279,650
20,000	Hiland Holdings GP LP	47,600
8,000	Hiland Partners LP	61,200
86,000	NorthWestern Corp.	2,100,980
125,000	NRG Energy Inc.	3,523,750
1,000	Origin Energy Ltd.	14,398
100,000	Parallel Petroleum Corp.	317,000
100,000	UTS Energy Corp.	161,584
100,000	WesternZagros Resources Ltd.	201,747
		19,834,916
	Entertainment 0.8%	
5,000	Marvel Entertainment Inc.	248,100
290,000	Take-Two Interactive Software Inc.	3,250,900
		3,499,000
	Environmental Services 0.2%	
40,000	Republic Services Inc.	1,062,800
	Equipment and Supplies 0.1%	
5,500	The Middleby Corp.	302,555

	Financial Services 1.4%	
80,600	Odyssey Re Holdings Corp.	5,223,686
142,000	SLM Corp.	1,238,240
		6,461,926
	Food and Beverage 1.1%	
30,000	Cadbury plc, ADR	1,536,300
130,000	China Huiyuan Juice Group Ltd.	83,032
260,000	Lion Nathan Ltd.	2,626,310
5,000	OZEKI Co. Ltd.	207,765
10,000	PepsiAmericas Inc.	285,600
1,000	Reddy Ice Holdings Inc.	5,440
2,000	Super de Boer NV	12,146
		4,756,593
	Health Care 10.6%	
27,500	ArthroCare Corp.	560,725
80,000	Aspect Medical Systems Inc.	958,400
3,000	Biogen Idec Inc.	151,560
25,000	Crucell NV, ADR	572,250
2,000	Enzon Pharmaceuticals Inc.	16,500
5,000	Facet Biotech Corp.	86,450
6,000	Fresenius Kabi Pharmaceuticals Holding Inc., CVR	3,480
44,500	Indevus Pharmaceuticals Inc., Escrow (a)	48,950
12,000	Life Sciences Research Inc.	95,520
8,500	Life Technologies Corp.	395,675
250,000	Schering-Plough Corp.	7,062,500
800,000	Sepracor Inc.	18,320,000
250,000	Varian Inc.	12,765,000
140,000	Wyeth	6,801,200
		47,838,210
	Hotels and Gaming 0.1%	
43,000	MGM Mirage	517,720
	Materials 0.0%	
5,000	Intertape Polymer Group Inc.	13,250

See accompanying notes to schedule of investments.

THE GABELLI GLOBAL DEAL FUND
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2009 (Unaudited)

<u>Shares</u>		<u>Market Value</u>
COMMON STOCKS (Continued)		
Media 1.3%		
72,000	APN News & Media Ltd.	\$ 130,848
247,000	Cablevision Systems Corp., Cl. A	5,866,250
		5,997,098
Metals and Mining 0.2%		
20,000	Forsys Metals Corp.	67,996
25,000	Lonmin plc	668,833
2,000	Uranium One Inc.	4,801
15,000	Xstrata plc	221,145
		962,775
Publishing 0.0%		
136,000	SCMP Group Ltd.	22,111
Restaurants 0.0%		
1,000	Landry's Restaurants Inc.	10,500
Retail 0.0%		
1,000	Tween Brands Inc.	8,390
Semiconductors 0.1%		
58,000	Emulex Corp.	596,820
Specialty Chemicals 0.4%		
40,000	Ashland Inc.	1,728,800
Telecommunications 4.2%		
20,000	AS Eesti Telekom	185,261
832,500	Asia Satellite Telecommunications Holdings Ltd.	1,256,798
70,000	BCE Inc.	1,726,900
1,320,000	Centennial Communications Corp.	10,533,600
30,000	D&E Communications Inc.	344,700
170,000	GVT Holding SA	3,893,994
4,000	iBasis Inc.	8,480
15,000	net mobile AG	137,848
70,000	Portugal Telecom SGPS SA	741,117
10,000	SkyTerra Communications Inc.	48,200

		18,876,898
	Transportation 0.0%	
1,000	OSG America LP.	10,150
	TOTAL COMMON STOCKS	201,111,368
<u>Principal Amount</u>		
	CONVERTIBLE CORPORATE BONDS 1.9%	
	Business Services 0.2%	
\$ 1,000,000	The Interpublic Group of Companies Inc., Cv., 4.250%, 03/15/23	988,750
	Computer Hardware 0.1%	
500,000	SanDisk Corp., Cv., 1.000%, 05/15/13	391,250
	Consumer Products 0.2%	
1,000,000	Eastman Kodak Co., Cv., 3.375%, 10/15/33	1,005,000
	Hotels and Gaming 1.1%	
4,900,000	International Game Technology, Cv., 2.600%, 12/15/36	4,924,500
<u>Principal Amount</u>		<u>Market Value</u>
	Specialty Chemicals 0.3%	
\$ 1,350,000	Ferro Corp., Cv., 6.500%, 08/15/13	\$ 1,201,500
	TOTAL CONVERTIBLE CORPORATE BONDS	8,511,000
	CORPORATE BONDS 0.1%	
	Diversified Industrial 0.0%	
150,000	Park-Ohio Industries Inc., Sub. Deb., 8.375%, 11/15/14	116,250
	Energy and Utilities 0.1%	
600,000	Texas Competitive Electric Holdings Co. LLC, Ser. B (STEP), 10.250%, 11/01/15	435,000
	TOTAL CORPORATE BONDS	551,250
	U.S. GOVERNMENT OBLIGATIONS 53.6%	
242,877,000	U.S. Treasury Bills, 0.051% to 0.355% , 10/01/09 to 03/25/10	242,803,562

TOTAL U.S. GOVERNMENT OBLIGATIONS 242,803,562

TOTAL INVESTMENTS 100.0%
 (Cost \$464,729,365) \$ 452,977,180

Aggregate book cost \$ 464,729,365

Gross unrealized appreciation \$ 9,447,880
 Gross unrealized depreciation (21,200,065)

Net unrealized appreciation/depreciation \$ (11,752,185)

Principal Amount		Settlement Date	Unrealized Depreciation
	FORWARD FOREIGN EXCHANGE CONTRACTS 0.0%		
\$ 3,177,200(b)	Deliver Australian Dollars in exchange for USD 2,802,926	10/30/09	\$ (37,141)

- (a) Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At September 30, 2009, the market value of the fair valued security amounted to \$48,950 or 0.01% of total investments.
- (b) Principal amount denoted

in Australian Dollars.
Non-income producing security.
Represents annualized yield at date of purchase.

STEP Step coupon bond. The rate disclosed is that in effect at September 30, 2009.

ADR American Depositary Receipt

	% of Market Value	Market Value
<u>Geographic Diversification</u>		
North America	95.2%	\$431,320,406
Europe	3.0	13,366,469
Latin America	1.2	5,233,824
Asia/Pacific	0.6	2,848,716
Japan	0.0	207,765
Total Investments	100.0%	\$452,977,180

See accompanying notes to schedule of investments.

THE GABELLI GLOBAL DEAL FUND
NOTES TO SCHEDULE OF INVESTMENTS (Unaudited)

1. Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Trustees (the Board) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the Adviser).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than sixty days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

Level 1 quoted prices in active markets for identical securities;

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and

Level 3 significant unobservable inputs (including the Fund's determinations as to the fair value of investments).

THE GABELLI GLOBAL DEAL FUND
NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments and other financial instruments by inputs used to value the Fund's investments as of September 30, 2009 is as follows:

	Level 1	Valuation Inputs Level 2 Other Significant Observable Inputs	Level 3	Total
	Quoted Prices		Significant Unobservable Inputs	Market Value at 9/30/09
INVESTMENTS IN SECURITIES: ASSETS (Market Value):				
Common Stocks				
Health Care	\$ 47,789,260		\$ 48,950	\$ 47,838,210
Other Industries (a)	153,273,158			153,273,158
Total Common Stocks	201,062,418		48,950	201,111,368
Convertible Corporate Bonds		\$ 8,511,000		8,511,000
Corporate Bonds		551,250		551,250
U.S. Government Obligations		242,803,562		242,803,562
TOTAL INVESTMENTS IN SECURITIES	\$201,062,418	\$ 251,865,812	\$ 48,950	\$452,977,180
OTHER FINANCIAL INSTRUMENTS: ASSETS (Unrealized Appreciation): *				
Contract for Difference Swap Agreements	\$	\$ 62,501	\$	\$ 62,501
OTHER FINANCIAL INSTRUMENTS: LIABILITIES (Unrealized Depreciation): *				
Contract for Difference Swap Agreement		(300)		(300)
	\$	\$ 62,201	\$	\$ 62,201

TOTAL OTHER FINANCIAL INSTRUMENTS

(a) The industry classifications are detailed in the Schedule of Investments.

* Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards, and swaps which are valued at the unrealized appreciation/depreciation of the investment.

There were no Level 3 investments held at December 31, 2008.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

Balance as of 12/31/08	Accrued interest of discounts/premiums	Realized gain/loss	Change in unrealized appreciation/depreciation	Net purchases/(sales)	Transfers in and/or out of Level 3	Balance as of 9/30/09	Net change in unrealized appreciation/depreciation during the period on Level 3 investments held at 9/30/09
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INVESTMENTS IN SECURITIES:

ASSETS (Market Value):

Common Stocks							
Health Care	\$	\$	\$ 48,950	\$ 0	\$	\$ 48,950	\$ 48,950
TOTAL INVESTMENTS IN SECURITIES	\$	\$	\$ 48,950	\$ 0	\$	\$ 48,950	\$ 48,950

THE GABELLI GLOBAL DEAL FUND
NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)

2. Derivative Financial Instruments. The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purposes of increasing the income of the Fund, hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase, or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or that, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

Current notional amounts are an indicator of the volume of the Fund's derivative activities during the period.

Swap Agreements. The Fund may enter into equity and contract for difference swap transactions for the purpose of increasing the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In a swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at the time a swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

The Fund has entered into equity contract for difference swap agreements with The Goldman Sachs Group, Inc. Details of the swaps at September 30, 2009 are as follows:

<u>Notional Amount</u>	<u>Equity Security Received</u>	<u>Interest Rate/ Equity Security Paid</u>	<u>Termination Date</u>	<u>Net Unrealized Appreciation/ Depreciation</u>
	Market Value	One month LIBOR plus 90 bps plus		
	Appreciation on:	Market Value		
		Depreciation on:		
\$112,139 (100,000 Shares)	Gulf Keystone Petroleum Ltd.	Gulf Keystone Petroleum Ltd.	6/25/10	\$ 27,243
953,740 (340,000 Shares)	Chloride Group plc	Chloride Group plc	6/25/10	35,258
5,492 (1,000 Shares)	J Sainsbury plc	J Sainsbury plc	6/25/10	(300)
				\$ 62,201

For open derivative instruments as of September 30, 2009, see the preceding table, which is also indicative of activity for the year ended December 31, 2008.

THE GABELLI GLOBAL DEAL FUND
NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)

Futures Contracts. The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the initial margin. Subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, which are included in unrealized appreciation/depreciation on investments and futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. At September 30, 2009, there were no open futures contracts.

Forward Foreign Exchange Contracts. The Fund may engage in forward foreign exchange contracts for the purpose of hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on investments and foreign currency translations. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. At September 30, 2009, there were no open forward foreign exchange contracts.

3. Tax Information. Under the current tax law, capital losses related to securities and foreign currency realized after October 31 and prior to the Fund's fiscal year end may be treated as occurring on the first day of the following year. For the year ended December 31, 2008, the Fund deferred capital losses of \$31,504.

**AUTOMATIC DIVIDEND REINVESTMENT
AND VOLUNTARY CASH PURCHASE PLANS**

Enrollment in the Plan

It is the policy of The Gabelli Global Deal Fund (the Fund) to automatically reinvest dividends payable to common shareholders. As a registered shareholder you automatically become a participant in the Fund's Automatic Dividend Reinvestment Plan (the Plan). The Plan authorizes the Fund to credit common shares to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Fund. Plan participants may send their share certificates to American Stock Transfer (AST) to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distributions in cash must submit this request in writing to:

The Gabelli Global Deal Fund
c/o American Stock Transfer
6201 15th Avenue
Brooklyn, NY 11219

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan or requesting a copy of the terms of the Plan, may contact AST at (888) 422-3262.

If your shares are held in the name of a broker, bank, or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of street name and re-registered in your own name. Once registered in your own name your distributions will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in street name at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of common shares distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Fund's common shares is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued common shares valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Fund's common shares. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange (NYSE) trading day, the next trading day. If the net asset value of the common shares at the time of valuation exceeds the market price of the common shares, participants will receive common shares from the Fund valued at market price. If the Fund should declare a dividend or capital gains distribution payable only in cash, AST will buy common shares in the open market, or on the NYSE, or elsewhere, for the participants' accounts, except that AST will endeavor to terminate purchases in the open market and cause the Fund to issue shares at net asset value if, following the commencement of such purchases, the market value of the common shares exceeds the then current net asset value.

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for federal income tax purposes as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

Voluntary Cash Purchase Plan

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Fund. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name.

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to AST for investments in the Fund's common shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. AST will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. AST will charge each shareholder who participates a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to American Stock Transfer, 6201 15th Avenue, Brooklyn, NY 11219 such that AST receives such payments approximately 10 days before the investment date. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by AST at least 48 hours before such payment is to be invested.

Shareholders wishing to liquidate shares held at AST must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address, and account number. The cost to liquidate shares is \$1.00 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions.

For more information regarding the Automatic Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Fund.

The Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by AST on at least 90 days written notice to participants in the Plan.

**THE GABELLI GLOBAL DEAL FUND
AND YOUR PERSONAL PRIVACY**

Who are we?

The Gabelli Global Deal Fund (the Fund) is a closed-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

What kind of non-public information do we collect about you if you become a shareholder?

When you purchase shares of the Fund on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

Information you give us on your application form. This could include your name, address, telephone number, social security number, bank account number, and other information.

Information about your transactions with us. This would include information about the shares that you buy or sell; it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services like a transfer agent we will also have information about the transactions that you conduct through them.

What information do we disclose and to whom do we disclose it?

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, www.sec.gov.

What do we do to protect your personal information?

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

TRUSTEES AND OFFICERS
THE GABELLI GLOBAL DEAL FUND
One Corporate Center, Rye, NY 10580-1422

Trustees

Mario J. Gabelli, CFA

*Chairman & Chief Executive Officer,
GAMCO Investors, Inc.*

Anthony J. Colavita

*President,
Anthony J. Colavita, P.C.*

James P. Conn

*Former Managing Director &
Chief Investment Officer,
Financial Security Assurance Holdings Ltd.*

Clarence A. Davis

*Former Chief Executive Officer,
Nestor, Inc.*

Mario d Urso

Former Italian Senator

Arthur V. Ferrara

*Former Chairman & Chief Executive Officer,
Guardian Life Insurance Company of America*

Michael J. Melarkey

*Attorney-at-Law,
Avansino, Melarkey, Knobel & Mulligan*

Edward T. Tokar

*Senior Managing Director,
Beacon Trust Company*

Salvatore J. Zizza

Chairman, Zizza & Co., Ltd.

Officers

Bruce N. Alpert

President

Carter W. Austin

Vice President

Peter D. Goldstein

Chief Compliance Officer

Agnes Mullady

Treasurer & Secretary

Delian Naydenov

Assistant Vice President & Ombudsman

David I. Schachter
Vice President

Investment Adviser

Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422

Custodian

The Bank of New York Mellon

Counsel

Skadden, Arps, Slate, Meagher & Flom LLP

Transfer Agent and Registrar

American Stock Transfer and Trust Company

Stock Exchange Listing

	<u>Common</u>	8.50%
NYSE-Symbol:	GDL	<u>Preferred</u>
Shares Outstanding:	21,187,810	GDL PrA 1,920,242

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading Specialized Equity Funds, in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading Specialized Equity Funds.

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting www.gabelli.com.

For general information about the Gabelli Funds, call **800-GABELLI** (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds Internet homepage at: www.gabelli.com, or e-mail us at: closedend@gabelli.com

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund's shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidating value.

TJE GABELLI GLOBAL DEAL FUND ONE CORPORATE CENTER RYE, NY 10580-1422
(914) 921-5070 WWW.GABELLI.COM THIRD QUARTER REPORT SEPTEMBER 30, 2009 GDL
Q3/2009

Item 2. Controls and Procedures.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) The Gabelli Global Deal
Fund

By (Signature /s/ Bruce N. Alpert
and Title)*
Bruce N. Alpert, Principal
Executive Officer

Date 11/27/09

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature /s/ Bruce N. Alpert
and Title)*
Bruce N. Alpert, Principal Executive Officer

Date 11/27/09

By (Signature /s/ Agnes Mullady
and Title)*
Agnes Mullady, Principal Financial Officer and Treasurer

Date 11/27/09

* Print the name
and title of each
signing officer
under his or her
signature.

Roman" SIZE="2"> *

Gregory Monahan

45,099 25,000 70,099 *

Mario Pilozzi

61,352 25,000 86,352 *

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Andrew Prozes

55,079 55,079 *

Eric Rosenfeld

463,327 25,000 488,327 *

Graham Savage

43,138 43,138 *

Jerry Fowden

480,732 480,732 *

Jay Wells

*

Neal Cravens⁽³⁾

13,000 13,000 *

Marni Poe

45,089 45,089 *

Michael Gibbons

65,955 65,955 *

Gregory Leiter

55,019 55,019 *

Directors and executive officers as a group (consisting of 17 persons, including the current directors and executive officers named above)

1,663,127⁽²⁾ 125,000 1,788,127 1.87%

* 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 95,371,484 shares outstanding as of March 15, 2013.

(3) Mr. Cravens is no longer an employee of Cott. Mr. Cravens retired as Chief Financial Officer of Cott effective March 20, 2012. He ceased to be a reporting person upon his retirement. Information regarding his share ownership is based on our corporate records.

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

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reports were filed in 2012 in a timely manner, except that, as a result of administrative errors, Forms 4 each reporting one transaction were not timely filed on behalf of Marni Poe and Betty Jane Hess.

Table of Contents

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 not financially material to Goodmans LLP and has no material impact on Mr. Halperin's compensation from such firm. In addition, although Mr. Savage serves on the audit committees of more than two 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.

David Gibbons, the Chairman of our Board of Directors, and Michael Gibbons, our former President U.S. Business Unit, are not related. There are no family relationships between any director nominees and executive officers.

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 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.

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

Table of Contents

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, 2012.

Table of Contents

COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussion and Analysis

Executive Summary

We seek to incentivize management to increase long-term, sustainable shareowner value consistent with appropriate consideration of risk and reward, and to focus management on continuing to increase revenue, develop innovative new offerings, lower operating costs, maintain customer focus, control capital expenditures and manage working capital and cash. 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.

As described in Management's Discussion and Analysis of Financial Conditions and Results of Operations in our Annual Report on Form 10-K, Cott achieved increases in gross margin in line with Cott's gross margin restoration strategy, as well as significant cash generation, and we believe that our named executive officers were instrumental in helping us to achieve these results. Key highlights of our 2012 performance include the following:

We reported gross profit as a percentage of revenue of 12.9%, an increase of 110 basis points from 11.8% in 2011.

We continued to generate solid cash flow, generating free cash flow of \$103 million from net cash provided by operating activities of \$173 million less \$70 million in capital expenditures in 2012 (free cash flow is net cash provided by operating activities, less capital expenditures).

Our stock price on the NYSE increased 26% from \$6.26 on December 30, 2011, the last business day of our 2011 fiscal year, to \$7.90 on December 28, 2012, the last business day of our 2012 fiscal year.

In 2012, the Compensation Committee and management changed our compensation practices to further align the interests of our named executive officers with the interests of our shareowners and to more closely reflect both our financial position and our role as a low-cost producer of private label beverages, including:

In 2012, 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 Chief Executive Officer and those named executive officers who report directly to our Chief Executive Officer. Our Chief Accounting Officer, who reports to our Chief Financial Officer, was awarded a combination of performance-based restricted share units (25%) and time-based restricted share units (75%). All of these restricted share units and stock options cliff vest at the end of fiscal 2014, 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 2014. 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 2013, our named executive officers received the same types and relative percentages of equity awards as were awarded in 2012.

In 2012, as a result of Cott's improved operating performance and achievement of individual performance goals, and after a review of peer group and market data and the results of annual performance reviews, the base salary for 2012 for each of our named executive officers and the target bonus for one of our named executive officers were increased to better align the base salary and total compensation for those named executive officers with the 50th percentile of executives performing similar functions in the competitive market. Perquisites available to our named executive officers continued to be limited to an annual executive physical examination and a car allowance.

Table of Contents

Our compensation programs for fiscal 2012 build upon our compensation framework and overall compensation philosophy. Features of this framework include:

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.

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.

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 2010 through 2012. These tables supplement the information in the Summary Compensation Table, the Grants of Plan-Based Awards in Fiscal 2012 Table, and the Outstanding Equity Awards at 2012 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 of Contents**TABLE 1: PERFORMANCE-BASED CASH BONUS ACHIEVEMENT HISTORY**

Named Executive Officer	Fiscal Year	Cash Incentives Actual Payout Against Target
Jerry Fowden	2012	129.0%
	2011	71.0%
Chief Executive Officer	2010	101.0%
Jay Wells ⁽¹⁾⁽²⁾	2012	129.0%
	2011	
Chief Financial Officer	2010	
Neal Cravens ⁽²⁾	2012	129.0%
	2011	71.0%
Former Chief Financial Officer	2010	101.0%
Marni Morgan Poe	2012	129.0%
	2011	71.0%
Vice President, Secretary and General Counsel	2010	101.0%
Michael Gibbons	2012	128.0%
	2011	35.0% ⁽³⁾
President U.S. Business Unit	2010	80.0%
Gregory Leiter ⁽¹⁾	2012	123.0%
	2011	
Senior Vice President, Chief Accounting Officer and Assistant Secretary	2010	

(1) These individuals were not named executive officers in 2010 and 2011.

(2) Mr. Wells was appointed as Chief Financial Officer of Cott on March 20, 2012, effective upon the retirement of Mr. Cravens on that date. Mr. Cravens continued with Cott until the end of 2012 to ensure an efficient transition to Mr. Wells.

(3) Mr. Gibbons participated in the U.S. bonus pool. Although actual EBITDA results in 2011 for the U.S. bonus pool were below the threshold level set for such pool, the Compensation Committee determined to pay a bonus to Mr. Gibbons with a multiplier of 0.35 times target in recognition of Mr. Gibbons achievement of his 2011 individual performance targets, which primarily focused on the successful completion of the integration of the acquired Cliffstar business into our operations.

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 2012 and in previous years. The performance targets established for the performance-based restricted share units granted to our named executive officers in fiscal 2010 were not met, and as a result, those awards did not vest. During 2011, we concluded that it was no longer probable that the targets established for the performance-based restricted share units granted to our named executive officers in fiscal 2011 would be met, and therefore we no longer expect these awards to ultimately vest. The data set forth in this table excludes time-based restricted share units and stock options.

Table of Contents**TABLE 2: PERFORMANCE-BASED RESTRICTED SHARE UNITS**

Named Executive Officer	Fiscal Year	Grant Date Fair Value (\$)	Share-Based Compensation Expense ⁽¹⁾ (\$)
Jerry Fowden	2012	600,000	750,000
	2011	880,875	0
Chief Executive Officer Jay Wells ⁽²⁾⁽³⁾	2010	2,134,688	0
	2012	164,063	205,078
Chief Financial Officer Neal Cravens ⁽³⁾	2011		
	2012	209,849	0
Former Chief Financial Officer Marni Morgan Poe	2010	421,875	0
	2012	111,926	139,907
Vice President, Secretary and General Counsel Michael Gibbons	2011	149,901	0
	2012	264,375	0
President U.S. Business Unit Gregory Leiter ⁽²⁾	2010	119,283	149,103
	2011	170,404	0
Senior Vice President, Chief Accounting Officer and Assistant Secretary	2010	386,719	0
	2012	41,458	51,822
	2011		
	2010		

(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) These individuals were not named executive officers in 2010 and 2011.

(3) Mr. Wells was appointed as Chief Financial Officer of Cott on March 20, 2012, effective upon the retirement of Mr. Cravens on that date. Mr. Cravens continued with Cott until the end of 2012 to ensure an efficient transition to Mr. Wells.

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 2012 compensation of the named executive officers.

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

At the 2012 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 2012 annual meeting proxy circular. The vote was 69,175,388 shares For (97.44% of the shares voted), 740,904 shares Against (1.04% of the shares voted), and 1,075,892 shares Withheld (1.52% 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 2012 annual 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 2013, decisions regarding incremental changes in individual

compensation were made in consideration of the factors described in this Compensation Discussion and Analysis.

Table of Contents

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 is fair, reasonable and competitive. The Compensation Committee must recommend to 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 those executive officers who report directly to our Chief Executive Officer, which, in 2012, included each named executive officer other than our Chief Accounting Officer (such named executive officers, 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. Compensation decisions for our Chief Accounting Officer are made by our Chief Financial Officer, with input from our Corporate Human Resources Vice President.

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 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 consistent with appropriate consideration of risk and reward, and to focus management on controlling costs, strengthening customer relationships, and managing capital expenditures and cash. Periodically, the Compensation Committee reviews and approves management's design of the compensation program 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 objective of aligning our named executive officers' compensation with the 50th percentile of the average total compensation of executives performing similar functions in the competitive market;

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.

Table of Contents

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 for their approval. 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. With respect to adjustments to the compensation of our Chief Accounting Officer, our Chief Financial Officer, with input from our Corporate Human Resources Vice President, determines what adjustments, if any, would be appropriate following a review of peer group and market data.

In 2012, 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 did not provide any additional services to the board or management. Cott paid Cook \$64,979 for services rendered during 2012.

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.

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.

Table of Contents

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 between \$0.5 billion and \$4 billion, was appropriate for compensation decisions made in 2012.

Companies used for Compensation Comparison	
The J.M. Smucker Company Constellation Brands, Inc. Chiquita Brands International, Inc. United Natural Foods, Inc. Brown-Forman Corp. McCormick & Company, Inc. Ralcorp Holdings, Inc. Flowers Foods, Inc. Sanderson Farms, Inc. Central European Distribution Corp. TreeHouse Foods, Inc.	Seneca Foods Corp. The Hain Celestial Group, Inc. SunOpta Inc. Hansen Natural Corp. Lancaster Colony Corp. Cal-Maine Foods, Inc. Lance, Inc. J&J Snack Foods Corp. National Beverage Corp. Coca-Cola Bottling Co. Consolidated Beam Inc.

Although a percentile benchmark was not established for 2012, the Compensation Committee reviewed 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. Similarly, our Chief Financial Officer reviewed peer group and market data with our Corporate Human Resources Vice President to set compensation for our Chief Accounting Officer. While we do not conduct a formal benchmarking process, we do consider the companies in our peer group as we set compensation for named executive officers. Total compensation and base salary in 2012 for five of our named executive officers fell below the 50th percentile for the peer group. For one named executive officer, base salary was below, and total compensation was above, the 50th percentile for the peer group. Changes in compensation in 2012 were implemented to better align the base salary and total compensation for each named executive officer with the 50th percentile for the average total compensation of executives performing similar functions in the competitive market. Providing more competitive compensation can help us attract and retain executives who will create long-term, sustainable shareowner value.

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 2010, Cott adopted, and its shareowners approved, the 2010 Equity Incentive Plan. The 2010 Equity Incentive 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 2010 Equity Incentive Plan may be in the form of stock options, stock appreciation rights, restricted shares, restricted share units, performance shares, performance units or stock payments. Subsequent to the adoption of the 2010 Equity Incentive Plan, Cott's other equity plans, including the Restated 1986 Common Share Option Plan (the **1986 Option Plan**), were terminated. As of December 29, 2012, other than outstanding equity awards under the 1986 Option Plan and the 2010 Equity Incentive Plan, there were no equity awards outstanding. 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. No further awards will be granted under the terminated plans. The 2010 Equity Incentive Plan and the 1986 Option Plan are described in more detail under the heading **Equity Compensation Plan Information** on page 52 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.

Table of Contents

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. The allocation between cash and non-cash or short-term and long-term incentive compensation with respect to an individual executive is set by the terms of the individual's employment agreement or offer letter and the terms of our incentive plans. For our Chief Executive Officer, the Compensation Committee reviews peer group and market data and recommends to the board of directors the terms of the employment agreement. The board reviews the recommendation and, if acceptable, approves it. For direct reports, our Chief Executive Officer and Corporate Human Resources Vice President review peer group and market data and recommends to the Compensation Committee the terms of the employment agreement. The Compensation Committee reviews those recommendations and, if acceptable, approves them. For our Chief Accounting Officer, our Chief Financial Officer, together with our Corporate Human Resources Vice President, reviews peer group and market data and determines the terms of the employment agreement. In 2012, 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 2012, our Chief Executive Officer and his direct reports received a combination of performance-based restricted share units (37.5%), time-based restricted share units (25%) and stock options (37.5%) under the 2010 Equity Incentive Plan. Our Chief Accounting Officer received performance-based restricted share units (25%) and time-based restricted share units (75%). All of these restricted share units and stock options cliff vest at the end of fiscal 2014, with the performance-based restricted share units vesting at the end of fiscal 2014 based on the achievement of a specific level of cumulative pre-tax income during the three-year period ending at the end of fiscal 2014. 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 similarly-situated public 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 2013, our named executive officers received the same types and relative percentages of equity awards as were awarded in 2012.

The Compensation Committee has recommended, and the board of directors has approved, the terms of the Amended and Restated Equity Plan, subject to shareowner approval, pursuant to which the 2010 Equity Incentive Plan will be amended and restated to, among other things, increase the number of shares that may be issued to 12,000,000 shares and to provide that the number of shares available for issuance will be reduced 2.0 shares for each share issued pursuant to a full-value award (i.e. an award other than an option or stock appreciation right). Further discussion of the terms of the Amended and Restated Equity Plan appears under the heading **Approval of Amended and Restated Cott Corporation Equity Incentive Plan** on page 66 of this proxy circular.

Compensation Components

For 2012, the principal compensation components for Cott's named executive officers consisted of the following:

base salary fixed pay that takes into account an individual's role and responsibilities, experience, expertise, and individual performance;

cash performance bonuses paid to reward attainment of annual corporate and individual performance targets;

long-term equity incentive awards;

Table of Contents

retirement benefits matching under Cott's 401(k) Plan; and

limited perquisites and benefits.

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. Similarly, the base salary of our Chief Accounting Officer may differ from that of comparable executives in the peer group, as the Chief Financial Officer retains discretion in setting his compensation.

In 2012, the Compensation Committee considered Cott's improved operating performance, achievement of individual performance goals, a review of peer group and market data, the results of annual performance and peer reviews and input from Cook, and determined to increase the base salaries for the direct reports and recommended to the board of directors an increase to the base salary for our Chief Executive Officer, which the board approved. Our Chief Financial Officer, with input from our Corporate Human Resources Vice President, determined to increase the base salary for 2012 of our Chief Accounting Officer, following a review of peer group and market data, and the results of annual performance and peer reviews. In 2012, base salaries for each of our named executive officers fell below the 50th percentile for the peer group. Base salary for our named executive officers in 2012 is shown in the Summary Compensation Table, under the heading **Salary** on page 38 of this proxy circular. The increases in base salary in 2012 were implemented to better align the base salary for each named executive officer with the 50th percentile of executives performing similar functions in the competitive market. Set forth below is a chart detailing the base salaries for each named executive officer in 2011 and 2012.

	2011 Base Salary	2012 Base Salary	% Change from 2011
Named Executive Officer			
Jerry Fowden	\$ 725,000	\$ 800,000	10%
Chief Executive Officer			
Jay Wells ⁽¹⁾⁽²⁾		\$ 350,000	
Chief Financial Officer			
Neal Cravens ⁽²⁾	\$ 357,000	\$ 357,000	0%
Former Chief Financial Officer			
Marni Morgan Poe	\$ 296,100	\$ 331,632	12%
Vice President, Secretary and General Counsel			
Michael Gibbons	\$ 336,600	\$ 353,430	5%
President U.S. Business Unit			
Gregory Leiter ⁽¹⁾		\$ 246,375	
Senior Vice President, Chief Accounting Officer and Assistant Secretary			

(1) These individuals were not named executive officers in 2011.

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- (2) Neal Cravens retired as Chief Financial Officer of Cott effective March 20, 2012, and Mr. Wells was appointed as Chief Financial Officer of Cott, effective upon Mr. Cravens' retirement.

Table of Contents

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 determined by the Compensation Committee. Any changes to the target bonus levels set forth in the employment offer letter for our Chief Accounting Officer are reviewed and determined by our Chief Financial Officer, with input from our Corporate Human Resources Vice President. The targets related to performance-based bonuses are reviewed and determined 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, and during the performance review for our Chief Accounting Officer, our Chief Financial Officer determines whether our Chief Accounting Officer's individual performance targets were met. The board of directors and the Compensation Committee retain the discretion, respectively, to guarantee a performance bonus or modify the calculation of the performance bonus for our Chief Executive Officer or a direct report, respectively. Similarly, our Chief Financial Officer may guarantee a performance bonus or modify the calculation of the performance bonus for our Chief Accounting Officer.

Additionally, discretionary bonuses may be paid to named executive officers, and one such bonus was paid in 2012. 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 2012 was determined based in part on achieving corporate targets and in part on achieving individual targets. In 2012, 70% of the performance bonus of our Chief Executive Officer and his direct reports 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. In 2012, 100% of the performance bonus of our Chief Accounting Officer was calculated based on Cott achieving a specified level of EBITDA.

Table of Contents

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 for non-recurring losses or charges that are separately identified and quantified in Cott's audited financial statements and notes thereto including, but not limited to, extraordinary items, restructuring charges and the impact of changes in tax laws, changes in GAAP, discontinued operations, and acquisitions. Because these metrics are adjusted in the manner described above, they do not correspond to earnings before interest, taxes, depreciation, and amortization and free cash flow as may be used in Cott's other disclosures or filings.

The business unit in which an individual is employed and the reporting relationship of such individual to the Chief Executive Officer 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 2012: United States, Canada, United Kingdom, Mexico, RCI and Corporate. All of our current named executive officers, other than the President of our U.S. Business Unit, participated in the Corporate bonus pool in 2012. The President of our U.S. Business Unit participated in the U.S. bonus pool.

There were three applicable metrics for the payment of performance bonuses to our Chief Executive Officer and his direct reports at the start of 2012 (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 Chief Executive Officer and his direct reports of Cott's business goals. There was one applicable metric (EBITDA) for the payment of performance bonuses to all other employees participating in the bonus program, including our Chief Accounting Officer, as management viewed EBITDA alone as an appropriate performance target for measuring achievement of Cott's business goals by our Chief Accounting Officer and by all other employees participating in the bonus program. 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 2012.

Performance bonuses in 2012 had a threshold level, a base target level and an outperform level. For the Chief Executive Officer and his direct reports, 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. For our Chief Accounting Officer and all other employees participating in the bonus program, if the actual results for the EBITDA metric are below the threshold level, no performance bonuses will be paid, subject to management's discretion to modify performance bonuses 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 2012, 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 2012 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.

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 for talented employees in the market. The following chart sets forth the threshold, target and outperform performance targets established by the Compensation Committee in February 2012 for the Corporate and U.S. bonus pools and the actual results achieved for those bonus pools. The maximum bonus payout for 2012 was two times the target bonus amount, which would have been reached if Cott had achieved the below-referenced outperform goals.

Table of Contents**2012 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)		
	Operating Free Cash			Operating Free Cash		
	EBITDA (\$)	Flow (\$)	Revenue (\$)	EBITDA (\$)	Flow (\$)	Revenue (\$)
Threshold	161.0	49.9	2,170.5	142.0	95.3	1,453.5
Target	201.2	62.4	2,284.7	168.1	119.1	1,530.0
Outperform	241.4	74.9	2,444.6	194.3	142.9	1,637.1
Actual	210.6	79.2	2,241.0	174.6	143.7	1,485.2

For our Chief Executive Officer and his direct reports, actual results for 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.

For our Chief Accounting Officer, actual EBITDA results are interpolated on a straight-line basis between the threshold, target, and outperform performance levels for EBITDA noted in the Corporate Pool chart above, resulting in a payout percentage for EBITDA. Because EBITDA is the sole financial metric for the payment of a performance bonus to our Chief Accounting Officer, the calculated payout percentage is used as the bonus multiplier for our Chief Accounting Officer.

The following chart sets forth the calculation of the bonus multiplier for our Chief Executive Officer and his direct reports for the Corporate and U.S. bonus pools.

2012 Performance Bonus Program**Calculation of bonus multiplier**

	Corporate Pool (enterprise-level)			U.S. Business Unit Pool (operating unit level)		
	Operating Free Cash			Operating Free Cash		
	EBITDA 70%	Flow 15%	Revenue 15%	EBITDA 70%	Flow 15%	Revenue 15%
% Payout (Per Metric)	1.23	2.00	.81	1.25	2.00	0.71
% Payout Weighted (Per Metric)	0.86	0.30	0.12	0.87	0.30	0.11
Bonus Multiplier		1.29			1.28	

As noted above, actual 2012 EBITDA, free cash flow and revenue resulted in a bonus multiplier of 1.29 times target for our Chief Executive Officer and his direct reports and 1.28 times target for the President of our U.S. Business Unit. For our Chief Accounting Officer, actual 2012 EBITDA resulted in a bonus multiplier of 1.23 times target.

For 2013, the Compensation Committee determined that the three metrics applicable to our Chief Executive Officer and his direct reports should apply to each employee participating in the bonus program, including our Chief Accounting Officer. As a result, the Compensation Committee has approved a threshold level, a target level, and an outperform level based on corporate performance using these three metrics for 2013. Once the achievement against the performance targets is evaluated and confirmed in early 2014, bonuses will be

Table of Contents

determined based upon the results of Cott's annual individual performance review process. In the Corporate and the U.S. bonus pool, the 2013 target bonus award for our named executive officers will vary between 50% and 100% of annual base salary.

For 2013, 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.

Individual Performance Targets

During 2012, 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 2012 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**. The targets set for 2012 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, the individual targets for the direct reports were approved by the Chief Executive Officer, and the individual targets for our Chief Accounting Officer were approved by our Chief Financial 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 2012. 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 2012 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

Help in the successful transition to a new Chief Financial Officer.

Chief Financial Officer:

Continue to improve internal control over financial reporting;

Complete orientation program with an introduction to Cott's business and investors; and

Implement strategic and 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.

President of our U.S. Business Unit:

Deliver product mix, margin and volume improvements;

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

Implement operational initiatives for long-term growth of Cott.

Table of Contents

Chief Accounting Officer:

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

Assist in the continued improvement of internal control over financial reporting.

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 Chief Executive Officer and direct reports, respectively, if they believe such action would be in the best interest of Cott and our shareowners. Similarly, our Chief Financial Officer has the discretion to award the amount corresponding to that level of achievement, or to increase or decrease the award payable to our Chief Accounting Officer if he believes doing so would be in the best interest of Cott and our shareowners.

As discussed above, for 2012, performance bonus achievement for our Chief Executive Officer and his direct reports was based 70% on EBITDA, 15% on operating free cash flow, and 15% on revenue. For 2012, performance bonus achievement for the Chief Accounting Officer was based 100% on EBITDA. In February 2013, management presented to the Compensation Committee 2012 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, other than our Chief Accounting Officer, was entitled to a performance bonus for 2012 equal to 1.29 times target. Our Chief Accounting Officer was entitled to a performance bonus for 2012 equal to 1.23 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 2012 equal to 1.28 times target. The Compensation Committee determined that our Chief Executive Officer and his direct reports met their respective individual performance targets and, as a result, they received the full amount of their respective bonuses. Similarly, our Chief Financial Officer determined that our Chief Accounting Officer met his individual performance targets and as a result, he received the full amount of his bonus.

Long-Term Incentive Plans

In 2012, our senior-level employees were eligible to participate in our 2010 Equity Incentive Plan. There is no set formula for the granting of awards to individual executives or employees under the 2010 Equity Incentive 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 2010 Equity Incentive Plan provides the Compensation Committee and management with the flexibility to design compensatory awards responsive to Cott's needs. Awards under the 2010 Equity Incentive Plan may be in the form of stock options, stock appreciation rights, restricted shares, restricted share units, performance shares, performance units or stock payments. After the adoption of the 2010 Equity Incentive Plan, Cott's other equity plans, including the 1986 Option Plan, were terminated. As of December 29, 2012, other than outstanding equity awards under the 1986 Option Plan and the 2010 Equity Incentive Plan, there were no equity awards outstanding. 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 2010 Equity Incentive Plan and the 1986 Option Plan are described in more detail under the heading **Equity Compensation Plan Information** on page 52 of this proxy circular.

Table of Contents

In 2012, our Chief Executive Officer and his direct reports received a combination of performance-based restricted share units (37.5%), time-based restricted share units (25%), and stock options (37.5%). Our Chief Accounting Officer was awarded a combination of performance-based restricted share units (25%) and time-based restricted share units (75%). All of these restricted share units and stock options cliff vest at the end of fiscal 2014, with the performance-based restricted share units vesting at the end of fiscal 2014 based on the achievement of a specific level of cumulative pre-tax income during the three-year period ending at the end of fiscal 2014. 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 similarly-situated public 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 2013, our named executive officers received the same types and relative percentages of equity awards as were awarded in 2012.

The Compensation Committee has recommended, and the board of directors has approved, the terms of the Amended and Restated Equity Plan, subject to shareowner approval, pursuant to which the 2010 Equity Incentive Plan will be amended and restated to, among other things, increase the number of shares that may be issued to 12,000,000 shares and to provide that the number of shares available for issuance will be reduced 2.0 shares for each share issued pursuant to a full-value award (i.e. an award other than an option or stock appreciation right). Further discussion of the terms of the Amended and Restated Equity Plan appears under the heading **Approval of Amended and Restated Cott Corporation Equity Incentive Plan** on page 66 of this proxy circular.

Retirement Benefits

In 2012, 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 30% of their eligible earnings. During 2012, we matched up to 3.5% of employee contributions, subject to caps based on limits set by applicable law.

Perquisites and Other Personal Benefits

In order to attract and retain executive talent, 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, with respect to each named executive officer except Mr. Cravens, a car 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 38 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

Table of Contents

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 and Legacy Retention Plans

Mr. Fowden and Mr. Gibbons participate in the Cott Corporation Severance and Non-Competition Plan (the **Severance Plan**), which we implemented in 2009. The Severance Plan offers participants a more modest package of benefits upon a qualified termination of employment than was available under the prior plan discussed below. Subject to certain exceptions, the Severance Plan defines their entitlements upon a qualified termination of employment and replaces all previous termination and severance entitlements to which they 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 46 of this proxy circular.

Prior to the Severance Plan, we had in place the Retention, Severance and Non-Competition Plan (the **Legacy Retention Plan**). The Legacy Retention Plan supersedes applicable provisions of a participant's employment agreement and provides for severance payments to the participant upon a termination of his employment under certain circumstances. Gregory Leiter is the only named executive officer that participates in the Legacy Retention Plan as of December 29, 2012. Mr. Fowden transitioned from the Legacy Retention Plan to the Severance Plan upon its adoption. The Legacy Retention Plan, and the participants' entitlements under such plan, are described in more detail under the heading **Potential Payments Upon Termination or Change of Control Legacy Retention Plan** on page 48 of this proxy circular.

Other Severance Payments

Jay Wells, Marni Poe and Neal Cravens do not participate in a severance plan. These officers' entitlements under a qualified termination of employment are governed by their respective 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 50 of this proxy circular.

Treatment of Equity Awards upon Termination or Change of Control

Our 2010 Equity Incentive Plan (see **Equity Compensation Plan Information** on page 52 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, 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.

Additionally, our 2010 Equity Incentive 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 44 of this proxy circular.

Table of Contents

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. Other individuals subject to the requirements must own common shares having a minimum aggregate value equal to one and a half times his or her annual base salary. The Corporate Governance 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 by Cott's Vice President, General Counsel and Secretary. 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 stock, restricted stock units, performance shares, or performance share units. 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 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.

Table of Contents

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. For our Chief Executive Officer and his direct reports, these measures are EBITDA, operating free cash flow, and revenue. For our Chief Accounting Officer, this measure is EBITDA. For 2013, the Compensation Committee determined that the three metrics applicable to our Chief Executive Officer and his direct reports should apply to each employee participating in the bonus program, including our Chief Accounting Officer. 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.

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 Chief Executive Officer and his direct reports is a mix of performance-based restricted share units, time-based restricted share units and stock options. The equity awarded to our Chief Accounting Officer is a mix of performance-based restricted share units and time-based restricted share units. 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 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.

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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.

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.

Table of Contents

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.

Table of Contents**Summary Compensation Table**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards ⁽¹⁾ (\$)	Option/ SAR Awards ⁽²⁾ (\$)	Non-Equity	All Other Compensation (\$)	Total (\$)
						Incentive Plan Compensation ⁽³⁾ (\$)		
Jerry Fowden Chief Executive Officer (PEO)	2012	800,000		1,000,000	600,000	1,032,000	36,749 ⁽⁴⁾	3,468,749
	2011	711,719		880,875		516,200	38,875	2,147,669
	2010	625,313		3,083,438	1,290,000 ⁽⁵⁾	561,703	229,128	5,789,582
Jay Wells Chief Financial Officer (PFO)	2012 ⁽⁶⁾	275,961	60,000 ⁽⁷⁾	273,438	164,063	265,821	275,393 ⁽⁸⁾	1,314,677
Neal Cravens Former Chief Financial Officer (Former PFO) ⁽⁹⁾	2012	357,000				345,398	20,179 ⁽¹⁰⁾	722,576
	2011	355,833		303,115		190,638	22,252	871,838
	2010	300,000	20,000	984,375		225,000	20,732	1,550,107
Marni Morgan Poe Vice President, Secretary and General Counsel	2012	331,632		186,543	111,926	320,854	30,468 ⁽¹¹⁾	981,423
	2011	293,750		216,523		105,412	11,808	627,493
	2010 ⁽⁶⁾	230,833	20,000	616,875		117,500	23,922	1,009,130
Michael Gibbons President U.S. Business Unit ⁽²⁾	2012	353,430		198,805	119,283	339,293	34,318 ⁽¹³⁾	1,045,129
	2011	335,500	15,000	246,139		88,357	36,279	721,275
	2010 ⁽⁶⁾	275,000		902,344		164,691	33,959	1,375,994
Gregory Leiter Senior Vice President, Chief Accounting Officer and Assistant Secretary	2012	244,795		165,831		151,520	108,559 ⁽¹⁴⁾	670,705

(1) Stock awards made in 2012 were time-based and performance-based restricted stock units granted under the 2010 Equity Incentive Plan. The amounts reported in this column for 2012 reflect the aggregate grant date fair values for time-based and performance-based restricted stock 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 29, 2012. The grant date fair values of awards granted in 2012 subject to performance conditions were as follows: Mr. Fowden: \$600,000; Mr. Wells: \$164,063; Ms. Poe: \$ 111,926; Mr. Gibbons: \$ 119,283; and Mr. Leiter: \$41,458. 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: \$750,000; Mr. Wells: \$205,078; Ms. Poe: \$ 139,907; Mr. Gibbons: \$149,103; and Mr. Leiter: \$51,823.

Stock awards made in 2011 were time-based and performance-based restricted stock units granted under the 2010 Equity Incentive Plan. The amounts reported in this column for 2011 reflect the aggregate grant date fair values for time-based and performance-based restricted stock units computed in accordance with 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 31, 2011. The grant date fair values of awards granted in 2011 subject to performance conditions were as follows: Mr. Fowden: \$880,875; Ms. Poe: \$149,901; and Mr. Gibbons: \$170,404. 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: \$1,468,125; Ms. Poe: \$249,834; and Mr. Gibbons: \$284,006.

Stock awards made in 2010 were time-based and performance-based restricted stock units granted under the 2010 Equity Incentive Plan. The amounts reported in this column for 2010 reflect the aggregate grant date fair values for time-based and performance-based restricted stock units computed in accordance with 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 January 1, 2011. The grant date fair values of awards granted in 2010 subject to performance conditions were as follows: Mr. Fowden: \$2,134,688; Ms. Poe: \$264,375; and Mr. Gibbons: \$386,719. 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: \$3,557,813; Ms. Poe: \$440,625; and Mr. Gibbons: \$644,531. The performance targets established for the performance-based restricted share units granted to our named executive officers in fiscal 2010 were not met, and as a result, such awards did not vest.

(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 January 1, 2011, and Note 7 to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 29, 2012.

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(3) The amounts under the Non-Equity Incentive Plan Compensation column reflect amounts earned under Cott's annual performance bonus plan.

Table of Contents

- (4) Includes car allowance of \$16,000, phone allowance of \$1,620, health and dental premiums of \$6,578, retirement plan contribution of \$8,750, income imputed for term life insurance and disability premiums of \$570, and \$3,231 for an annual medical exam.
- (5) Mr. Fowden was granted an option to purchase 250,000 common shares of Cott on February 18, 2010. On August 9, 2010, Cott and Mr. Fowden entered into a Common Share Option Cancellation and Forfeiture Agreement to cancel this award in order to transition him to the 2010 Equity Incentive Plan. The grant date fair value of the option was \$1,290,000. This option was cancelled on August 9, 2010 pursuant to a Common Share Option Cancellation and Forfeiture Agreement entered into between Mr. Fowden and Cott.
- (6) Certain named executive officers did not serve a full year because they became an executive officer of Cott during the fiscal year.
- (7) Represents a sign-on bonus awarded to Mr. Wells.
- (8) Includes car allowance of \$10,644, phone allowance of \$1,429, health and dental premiums of \$6,625, retirement plan contribution of \$6,125, income imputed for term life insurance and disability premiums of \$570, and \$250,000 in relocation expenses.
- (9) Mr. Cravens retired as Chief Financial Officer of Cott effective March 20, 2012, and remained with the Company until December 29, 2012 to assist with transitioning matters to Mr. Wells.
- (10) Includes a phone allowance of \$2,025, health and dental premiums of \$8,834, retirement plan contribution of \$8,750, and income imputed for term life insurance and disability premiums of \$570.
- (11) Includes car allowance of \$19,125, phone allowance of \$2,025, retirement plan contribution of \$8,750, and income imputed for term life insurance and disability premiums of \$568.
- (12) Mr. Gibbons became Chief Commercial and Business Development Officer of Cott's U.S. business unit effective March 4, 2013, reporting to Steven Kitching, who was appointed President U.S. Business Unit on that same date. Mr. Gibbons was a named executive officer for 2012, and this proxy circular provides disclosure relating to his 2012 compensation.
- (13) Includes car allowance of \$13,500, phone allowance of \$1,905, health and dental premiums of \$8,834, retirement plan contribution of \$8,750, income imputed for term life insurance and disability premiums of \$570, and \$759 for an annual medical exam.
- (14) Includes car allowance of \$13,500, phone allowance of \$1,905, health and dental premiums of \$8,834, retirement plan contribution of \$8,750, income imputed for term life insurance and disability premiums of \$570, and \$75,000 in relocation expenses.

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 2012, 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.

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Each of the named executive officers employed by Cott as of the end of 2012 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 44 of this proxy circular.

Named Executive Officer Employment Agreements

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.

Table of Contents

Mr. Fowden is 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 2010 Equity Incentive Plan. The grants to Mr. Fowden under the 2010 Equity Incentive Plan are set forth in the **Grants of Plan-Based Awards Table in Fiscal 2012** on page 42 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

On January 14, 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 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 2010 Equity Incentive Plan. The grants to Mr. Wells under the 2010 Equity Incentive Plan are set forth in the **Grants of Plan-Based Awards Table in Fiscal 2012** on page 42 of this proxy circular.

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 six months following termination, regardless of the cause of the termination.

Neal Cravens Employment Agreement

Mr. Cravens retired as Chief Financial Officer of Cott effective March 20, 2012. Mr. Cravens continued with us until the end of 2012 to ensure an efficient transition to Mr. Wells. The offer letter agreement that we entered into on August 19, 2009 governed the terms of Mr. Cravens' employment. The agreement provided for an annual base salary, which was increased to \$357,000 in 2011. Mr. Cravens was eligible to participate in our annual performance bonus plan with an annual target bonus equal to 75% of his base salary.

Mr. Cravens was 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 2010 Equity Incentive Plan, and he received an inducement award under a prior equity incentive plan. Mr. Cravens did not receive any grants in 2012 under the 2010 Equity Incentive Plan.

Mr. Cravens 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.

Marni Poe Employment Agreement

On January 14, 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

Table of Contents

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 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 2010 Equity Incentive Plan. The grants to Ms. Poe under the 2010 Equity Incentive Plan are set forth in the **Grants of Plan-Based Awards Table in Fiscal 2012** on page 42 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.

Michael Gibbons Employment Agreement

On March 6, 2009, we entered into an offer letter agreement with Michael Gibbons to serve as Senior Vice President and General Manager of our U.S. business unit. The agreement has an indefinite term and provides for an annual base salary, which was increased to \$353,430 in 2012, and a car allowance. Mr. Gibbons is eligible to participate in our annual performance bonus plan with an annual target bonus equal to 75% of his base salary. Effective March 4, 2013, Mr. Gibbons was appointed Chief Commercial and Business Development Officer of Cott's U.S. business unit. His employment with Cott continues to be governed by the terms of his March 2009 offer letter agreement.

Mr. Gibbons is 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 2010 Equity Incentive Plan. The grants to Mr. Gibbons under the 2010 Equity Incentive Plan are set forth in the **Grants of Plan-Based Awards Table in Fiscal 2012** on page 42 of this proxy circular.

Mr. Gibbons 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.

Gregory Leiter Employment Agreement

On September 25, 2007, we entered into an offer letter agreement with Gregory Leiter to serve as Corporate Controller. Mr. Leiter was appointed Senior Vice President and Controller in April 2008. Mr. Leiter took on the additional role of Chief Accounting Officer in January 2010. Mr. Leiter currently serves as our Senior Vice President, Chief Accounting Officer and Assistant Secretary. The agreement has an indefinite term and provides for an annual base salary, which was increased to \$246,375 in 2012, and a car allowance. Mr. Leiter is eligible to participate in our annual performance bonus plan with an annual target bonus equal to 50% of his base salary.

Mr. Leiter is 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 2010 Equity Incentive Plan. The grants to Mr. Leiter under the 2010 Equity Incentive Plan are set forth in the **Grants of Plan-Based Awards Table in Fiscal 2012** on page 42 of this proxy circular.

Mr. Leiter participates in the Legacy Retention 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.

Table of Contents**Grants of Plan-Based Awards in Fiscal 2012**

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 2010 Equity Incentive Plan during the year ended December 29, 2012 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 2012.

Name	Grant Date	Board Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares or Units ⁽³⁾	All Other Awards: Number of Securities Underlying Options ⁽⁴⁾	Exercise Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock Awards and Options ⁽⁵⁾
			Threshold	Target	Maximum	Threshold	Target	Maximum				
			(\$)	(\$)	(\$)	(#)	(#)	(#)				
Jerry Fowden			400,000	800,000	1,600,000							
	2/21/2012	2/15/2012				36,474	91,185	113,981				600,000
	2/21/2012	2/15/2012							60,790			400,000
Jay Wells			103,032	206,063	412,126							
	2/21/2012	2/15/2012				9,974	24,934	31,168			6.58	600,000
	2/21/2012	2/15/2012							16,622	148,515	6.58	600,000
Neal Cravens			133,875	267,750	535,500							
	2/21/2012	2/15/2012										
	2/21/2012	2/15/2012								40,610	6.58	164,063
Marni Poe			124,362	248,724	497,448							
	2/21/2012	2/15/2012				6,804	17,010	21,263				111,926
	2/21/2012	2/15/2012							11,340			74,617
Michael Gibbons			132,537	265,073	530,146							
	2/21/2012	2/15/2012				7,251	18,128	22,660				111,926
	2/21/2012	2/15/2012							12,085			79,522
Gregory Leiter			61,594	123,187	246,374							
	2/21/2012	2/15/2012				2,520	6,301	7,876				119,283
	2/21/2012	2/15/2012							18,902	29,525	6.58	119,283

- (1) The amounts in these columns show the range of possible cash payouts under our annual performance bonus plan for achievement of specified levels of performance in fiscal 2012. For additional information related to the annual cash incentive awards including performance goals, measures and weighting, see the **Compensation Discussion and Analysis** section of this proxy circular.
- (2) The amounts in these columns represent performance-based restricted share unit awards. The performance-based restricted share unit awards vest based on the achievement of a specified target level of cumulative pre-tax income for the period beginning on January 1, 2012 and ending on the last day of our 2014 fiscal year. The amounts included in the **Threshold** column reflect the total number of shares that would be issued at the end of the three-year performance period if Cott achieves 70% of the target pre-tax income level. The amounts included in the **Target** column reflect the total number of shares that would be issued at the end of the three-year performance period if Cott achieves 100% of the target pre-tax income level. The amounts included in the **Maximum** column reflect the total number of shares that would be issued at the end of the three-year performance period if Cott achieves 125% of the target pre-tax income level.
- (3) The amounts in this column represent grants of time-based restricted share units. Time-based restricted share units granted in 2012 vest on the last day of our 2014 fiscal year.

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- (4) The amounts in this column represent grants of stock options. Stock options granted in 2012 vest on the last day of our 2014 fiscal year.
- (5) The Grant Date Fair Value of Stock Awards column shows the full grant date fair values of the stock options and performance- and time-based restricted share units granted in fiscal 2012. The grant date fair values of the awards are determined under ASC 718 and represent the amounts we would expense in our financial statements over the vesting schedule for the awards. In accordance with SEC rules, the amounts in this column reflect the actual ASC 718 accounting cost without reduction for estimates of forfeitures related to service-based vesting conditions. The assumptions used for determining values 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 29, 2012. The amounts reflect our accounting for these grants and do not correspond to the actual values that may be realized by the named executive officers.

Table of Contents**Outstanding Equity Awards at 2012 Fiscal Year End**

The following table sets forth information with respect to equity awards outstanding at December 29, 2012 for each of our named executive officers.

Name	OPTION AWARDS				STOCK AWARDS		
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽²⁾	
Jerry Fowden		148,515	6.58	2/21/2022	Performance-Based RSU	91,185 ⁽³⁾	720,362
					Time-Based RSU	60,790 ⁽⁴⁾	480,241
					Performance-Based RSU	137,529 ⁽⁵⁾	1,086,479
Jay Wells		40,610	6.58	2/21/2022	Performance-Based RSU	24,934 ⁽³⁾	196,979
					Time-Based RSU	16,622 ⁽⁴⁾	131,314
Neal Cravens					Performance-Based RSU	21,842 ⁽⁶⁾	172,552
Marni Poe		27,704	6.58	2/21/2022	Performance-Based RSU	17,010 ⁽³⁾	134,379
					Time-Based RSU	11,340 ⁽⁴⁾	89,586
					Performance-Based RSU	23,404 ⁽⁵⁾	184,892
					Time-Based RSU	7,801 ⁽⁷⁾	61,628
Michael Gibbons		29,525	6.58	2/21/2022	Performance-Based RSU	18,128 ⁽³⁾	143,211
					Time-Based RSU	12,085 ⁽⁴⁾	95,472
					Performance-Based RSU	26,605 ⁽⁵⁾	210,180
					Time-Based RSU	8,868 ⁽⁷⁾	70,057
Gregory Leiter					Performance-Based RSU	6,301 ⁽³⁾	49,778
					Time-Based RSU	18,902 ⁽⁴⁾	149,326
					Performance-Based RSU	18,725 ⁽⁵⁾	147,928
					Time-Based RSU	6,242 ⁽⁷⁾	49,312

(1) This amount represents stock options granted in 2012 that vest on the last day of our 2014 fiscal year, assuming continued employment through such date.

(2) The market value shown has been calculated based on the closing price of our common shares on the NYSE as of December 28, 2012 (\$7.90), the last business day of our 2012 fiscal year.

(3) This amount represents performance-based restricted share units granted in 2012. The performance-based restricted share units vest based on the achievement of a specified target level of cumulative pre-tax income for the period beginning on January 1, 2012 and ending on the last day of our 2014 fiscal year. The payout percentage of the performance-based restricted share units and the related unrecognized compensation cost is subject to change based on the level of targeted pre-tax income that is achieved during the period beginning on January 1, 2012 and ending on the last day of our 2014 fiscal year. The amounts included reflect the total number of shares that would be issued at the end of the three-year performance period if Cott achieves 100% of the target pre-tax income level.

(4) This amount represents time-based restricted share units granted in 2012. The time-based restricted share units vest on the last day of our 2014 fiscal year, assuming continued employment through such date.

(5) This amount represents performance-based restricted share units granted in 2011. The performance-based restricted share units vest based on the achievement of a specified target level of cumulative pre-tax income for the period beginning on January 1, 2011 and ending on the last day of our 2013 fiscal year. The payout percentage of the performance-based restricted share units and the related unrecognized compensation cost is subject to change based on the level of targeted pre-tax income that is achieved during the period beginning on January 1, 2011 and ending on the last day of our 2013 fiscal year. The amounts

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included reflect the total number of shares that would be issued at the end of the three-year performance period if Cott achieves 100% of the target pre-tax income level.

- (6) This amount represents performance-based restricted share units granted to Mr. Cravens in 2011. The performance-based restricted share units vest based on the achievement of a specified target level of cumulative pre-tax income for the period beginning on January 1, 2011 and ending on the last day of our 2013 fiscal year. The amount included reflects the pro rata portion of shares that would be issued at the end of the three-year performance period if Cott achieves 100% of the target pre-tax income level, as calculated by reference to the portion of the performance period during which Mr. Cravens was actually employed.
- (7) This amount represents time-based restricted share units granted in 2011. The time-based restricted share units vest on the last day of our 2013 fiscal year, assuming continued employment through such date.

Table of Contents**Option Exercises and Stock Vested In Fiscal 2012**

The following table sets forth information with respect to option exercises and stock awards vesting during 2012 for each of our named executive officers.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#) ⁽¹⁾	Value Realized on Vesting (\$) ⁽²⁾
Jerry Fowden			165,000	1,303,500
Jay Wells				
Neal Cravens			105,106 ⁽³⁾	830,338
Marni Poe			61,304	484,304
Michael Gibbons			89,674	708,424
Gregory Leiter			54,783	432,786

(1) This amount represents time-based restricted share units granted in 2010. The time-based restricted share units vested on the last day of our 2012 fiscal year.

(2) The value realized on vesting has been calculated based on the closing price of our common shares on the NYSE as of December 28, 2012 (\$7.90), the last business day of our 2012 fiscal year.

(3) Includes (i) 97,826 time-based restricted share units granted to Mr. Cravens in 2010 that vested on the last day of our 2012 fiscal year, and (ii) 7,280 time-based restricted share units granted to Mr. Cravens in 2011 that vested upon Mr. Cravens' last day of employment, which represents a pro rata portion of shares that would have been issued at the end of the three-year restriction period, as calculated by reference to the portion of the restriction period during which Mr. Cravens was actually employed.

Potential Payments Upon Termination or Change of Control**2010 Equity Incentive Plan**

Under the 2010 Equity Incentive Plan, in the event of a Change of Control, the surviving or successor entity may continue, assume or replace awards outstanding as of the date of the Change of Control. If (1) such awards are continued, assumed, or replaced by the surviving or successor entity, and within two years after the Change of Control a grantee experiences an involuntary termination of employment for reasons other than Cause, or terminates his or her employment for Good Reason, or (2) such awards are not continued, assumed or replaced by the surviving or successor entity, then (i) outstanding options and stock appreciation rights issued to a participant that are not yet fully exercisable will immediately become exercisable in full and will remain exercisable in accordance with their terms, (ii) all unvested restricted shares, restricted share units, performance shares and performance units will become immediately fully vested and non-forfeitable; and (iii) any performance objectives applicable to awards will be deemed to have been satisfied to the maximum degree specified in connection with the applicable award. Additionally, the Compensation Committee may terminate some or all of such outstanding awards, in whole or in part, as of the effective time of the Change of Control in exchange for payments to the holders as provided in the 2010 Equity Incentive Plan.

The 2010 Equity Incentive Plan defines **Change of Control** as (i) the consummation of a consolidation, merger, amalgamation, or other similar corporate reorganization of Cott with or into any other corporation whereby the voting shareholders of Cott immediately prior to such event receive less than 50% of the voting shares of the consolidated, merged or amalgamated corporation; (ii) the consummation of a sale by Cott of all or substantially all of Cott's undertakings and assets; (iii) the date upon which individuals who, on the effective date of the 2010 Equity Incentive Plan constitute Cott's Board (the Incumbent Directors) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the effective date of the 2010 Equity Incentive Plan whose appointment, election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors who remain on the Board (either by a specific vote or by approval of the proxy statement of Cott in which such person is named as a nominee for director, without objection to such nomination) shall also be deemed to be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of Cott as a result of an actual or

Table of Contents

threatened election contest with respect to directors or any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director; or (iv) a proposal by or with respect to Cott being made in connection with a liquidation, dissolution or winding-up of Cott. The 2010 Equity Incentive Plan defines **Cause** and **Good Reason** the same way as the Severance Plan described on page 46 of this proxy circular.

If a Change of Control had occurred on December 28, 2012 and either (1) the surviving or successor entity continued, assumed or replaced awards and within two years after the Change of Control, a named executive officer was involuntarily terminated for reasons other than Cause, or terminated his or her employment for Good Reason, or (2) the surviving or successor entity did not continue, assume or replace awards outstanding as of such date, and the Compensation Committee had not in either case elected to terminate some or all of such outstanding awards in exchange for payments to the holders as provided in the 2010 Equity Incentive Plan, the unvested awards granted to our named executive officers would have vested on an accelerated basis as set forth below:

2010 Equity Incentive Plan	Accelerated Vesting (\$)⁽¹⁾
Jerry Fowden	3,912,060
Jay Wells	698,356
Neal Cravens	409,811
Marni Poe	769,164
Michael Gibbons	840,515
Gregory Leiter	445,769

- (1) Represents the value, based on the closing price of our common shares on the NYSE as of December 28, 2012 (\$7.90), the last business day of our 2012 fiscal year, of common shares issuable pursuant to (i) unvested time-based restricted share units under the 2010 Equity Incentive Plan, (ii) unvested performance-based restricted share units under the 2010 Equity Incentive Plan, assuming the performance objectives applicable to such awards were satisfied to the maximum degree, and (iii) unvested stock options under the 2010 Equity Incentive Plan.

These amounts are included in the applicable **Accelerated Vesting** column in the tables under the headings **Payments to Jerry Fowden and Michael Gibbons under the Severance Plan** on page 47, and **Payments to Gregory Leiter under the Legacy Retention Plan** on page 50.

Additionally, in the case of a grantee's termination without Cause or resignation with Good Reason, the number of restricted share units or stock options to be deemed earned by a grantee is equal to the pro rata number of restricted share units or stock options that he or she would have earned on the vesting date had he or she been continuously employed through such vesting date, as calculated by reference to the portion of the applicable restriction period or performance period during which the grantee was actually employed.

Assuming the named executive officers had been terminated on December 28, 2012 by Cott without Cause or by the named executive officers for Good Reason, they would have been entitled to the following:

2010 Equity Incentive Plan	Pro Rata Equity Awards (\$)^{(1) (2)}
Jerry Fowden	1,515,610
Jay Wells	216,370
Neal Cravens	230,069
Marni Poe	311,955
Michael Gibbons	344,137
Gregory Leiter	197,861

- (1) Represents the value of common shares issuable pursuant to unvested time-based restricted share units and stock options granted to our named executive officers in 2012 and 2011, with a value based on the closing price of our common shares on the NYSE as of December 28, 2012 (\$7.90), the last business day of our 2012 fiscal year.

Table of Contents

(2) Because the performance periods for the performance-based restricted share units granted to our named executive officers in 2012 and 2011 have not yet been completed, the number of common shares issuable pursuant to performance-based restricted share units that such named executive officers would have been entitled to on December 28, 2012 is not capable of determination. As such, this column includes the value of such performance-based restricted share units on a pro rata basis, assuming achievement of the performance goals at target and a share value equal to the closing price of our common shares on the NYSE as of December 28, 2012.

These amounts are included in the applicable Pro Rata Equity Awards column in the tables under the headings **Payments to Jerry Fowden and Michael Gibbons under the Severance Plan** on page 47, **Payments to Gregory Leiter under the Legacy Retention Plan** on page 50, and **Payments to Other Named Executive Officers** on page 50.

Severance Plan

In February 2009, we commenced the Severance Plan. As of December 28, 2012, Mr. Fowden and Mr. Gibbons are the only named executive officers who participate in such plan. Mr. Gibbons continues to participate in the Severance Plan in his new role as Chief Commercial and Business Development Officer. The triggering events for any severance payments under the Severance Plan are designed to discourage executive officers from voluntarily terminating their employment with us in order to accept other employment opportunities. The triggering events also provide assurances to the executive officers that they will be compensated if terminated by us without Cause. Subject to certain exceptions described below, the Severance Plan defines Mr. Fowden's entitlements upon a qualified termination of employment and replaces all previous termination and severance entitlements to which he may have been entitled. These arrangements are described for Mr. Fowden below.

The Compensation Committee determines which employees participate in the Severance Plan. Each participant is assigned to one of three groups, which correspond to severance multiples as follows: Level 1 Employees 1 times; Level 2 Employees 0.75 times; Level 3 Employees 0.50 times. Mr. Fowden is a Level 1 employee. Mr. Gibbons is a Level 2 employee.

The Severance Plan defines **Cause** to mean:

- (i) the willful failure of the participant to properly carry out the participant's duties and responsibilities or to adhere to the policies of Cott after written notice by Cott of the failure to do so, and such failure remaining uncorrected following an opportunity for the participant to correct the failure within ten (10) days of the receipt of such notice;
- (ii) theft, fraud, dishonesty or misappropriation by the participant, or the gross negligence or willful misconduct by the participant, involving the property, business or affairs of Cott, or in the carrying out of his duties, including, without limitation, any breach by the participant of the representations, warranties and covenants contained in the participant's employment agreement or restrictive covenants set out in the Severance Plan;
- (iii) the participant's conviction of or plea of guilty to a criminal offense that involves fraud, dishonesty, theft or violence;
- (iv) the participant's breach of a fiduciary duty owed to Cott; or
- (v) the participant's refusal to follow the lawful written reasonable and good faith direction of the board of directors.

The Severance Plan defines **Good Reason** to include any of the following:

- (i) a material diminution in the participant's title or duties or assignment to the participant of materially inconsistent duties;
- (ii) a reduction in the participant's then current annual base salary or target bonus opportunity as a percentage of annual base salary, unless such reduction in target bonus opportunity is made applicable to all participants serving in substantially the same capacity as participant;

Table of Contents

- (iii) relocation of the participant's principal place of employment to a location that is more than 50 miles away from his principal place of employment on the date upon which he became a participant, unless such relocation is effected at the request of the participant or with his approval;
- (iv) a material breach by Cott of any provisions of the Severance Plan, or any employment agreement to which the participant and Cott are parties, after written notice by the participant of the breach and such failure remaining uncorrected following an opportunity for Cott to correct such failure within ten (10) days of the receipt of such notice; or
- (v) the failure of Cott to obtain the assumption in writing of its obligation to perform the Severance Plan by any successor to all or substantially all of the business or assets of Cott within fifteen (15) days after a merger, consolidation, sale or similar transaction.

If a participant's employment is terminated by us without Cause or by the participant for Good Reason, he will receive a cash payment of an amount equal to the participant's total annual base salary and average bonus (based on the actual bonus paid for the previous two years) for the year in which the termination takes place multiplied by his severance multiple, less applicable withholdings. The terminated participant would also be paid accrued salary and vacation through the date of termination, less applicable withholdings. In addition, the terminated participant would receive accelerated vesting of rights under our equity incentive plans and would continue to receive benefits under our benefit plans for the number of years equal to the severance multiple, where we may do so legally and in accordance with the applicable benefit plans in effect from time to time.

Level 1 Employees receive gross-up payments in the event excise tax is imposed. Payments to Level 2 or 3 Employees who would otherwise be subject to excise tax are reduced, or cut back, to an amount that will result in no portion of the payments being subject to the excise tax. The 280G excise tax and gross-up is an estimated amount assuming an effective individual income tax rate of 40%. This amount is determined on the basis that the amount subject to excise tax would not be decreased by amounts attributable to reasonable compensation for services before the change of control.

Participants whose employment terminates for Cause, or by voluntary resignation (other than for Good Reason), death, or disability are not entitled to benefits under the Severance Plan.

Participants in the Severance Plan agree to non-competition and non-solicitation provisions that continue beyond termination for the number of years equal to the applicable severance multiple, regardless of the cause of termination. Participants agree to execute a general release of claims against us in return for payments under the Severance Plan, and, other than with respect to Mr. Fowden, the Severance Plan supersedes applicable provisions of each participant's prior employment agreement.

Payments to Jerry Fowden and Michael Gibbons under the Severance Plan

Mr. Gibbons and, subject to certain exceptions Mr. Fowden, participate in the Severance Plan. Under the Severance Plan, if their employment is terminated by Cott without Cause or by the executive for Good Reason, each executive would receive a cash payment equal to the sum of his annual base salary and bonus (based generally on his average bonus for the previous two years) times a severance multiple. Mr. Fowden's employment agreement provides that he would receive a pro rata bonus for the year of termination based on the actual bonus he would have received had he been employed through the end of the year. Mr. Fowden's severance multiple is 1.0, except that under the terms of his employment letter agreement if a termination occurs in connection with a change of control, his severance multiple would be 1.5. A change of control is defined in his employment letter agreement as a takeover, consolidation, merger, amalgamation, sale of all or substantially all assets or a similar transaction involving Cott. Mr. Gibbons's severance multiple is 0.75.

Table of Contents

Assuming his employment had been terminated on December 28, 2012 by Cott without Cause or by Mr. Fowden for Good Reason, he would have been entitled to the following:

	Cash Severance (\$)	Non Equity Incentive Plan Payment (\$)	Medical Continuation (\$)	280G Gross-up (\$) ⁽¹⁾	Pro Rata Equity Awards (\$)	Total (\$)
Jerry Fowden	800,000	774,100	11,272	4,282,093	1,515,610	7,383,075

(1) Mr. Fowden is a Level 1 Employee and would have received the 280G gross-up.

Assuming his employment had been terminated on December 28, 2012 by Cott without Cause or by Mr. Gibbons for Good Reason, he would have been entitled to the following:

	Cash Severance (\$)	Non Equity Incentive Plan Payment (\$)	Medical Continuation (\$)	280G Cut-back (\$) ⁽¹⁾	Pro Rata Equity Awards (\$)	Total (\$)
Michael Gibbons	265,073	160,369	11,517		344,137	781,096

(1) As a Level 2 Employee, Mr. Gibbons may receive a 280G cut-back.

Assuming his employment had been terminated in connection with a Change of Control on December 28, 2012, Mr. Fowden would have been entitled to the following:

	Cash Severance (\$)	Non Equity Incentive Plan Payment (\$)	Medical Continuation (\$)	280G Gross-up (\$) ⁽¹⁾	Accelerated Vesting (\$)	Total (\$)
Jerry Fowden	1,200,000	1,161,150	16,908	4,282,093	3,912,060	10,572,211

(1) Mr. Fowden is a Level 1 Employee and would have received the 280G gross-up.

Legacy Retention Plan

Mr. Leiter is the only named executive officer serving at the end of fiscal 2012 who is a participant in the Legacy Retention Plan. The Legacy Retention Plan supersedes applicable provisions of an executive's employment agreement and provides for severance payments to the executive upon a termination of his employment. The triggering events for any severance payments under the Legacy Retention Plan were designed to discourage officers from voluntarily terminating their employment with us in order to accept other employment opportunities. The triggering events also provide assurances to the officers that they will be compensated if terminated by us without cause.

The Legacy Retention Plan provides for different payment calculations depending on whether the termination occurs in connection with a Change of Control of Cott. For purposes of the Legacy Retention Plan, a Change of Control means:

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- A. a take-over bid (within the meaning of the *Securities Act* (Ontario)), other than a take-over bid exempt from the requirements of Part XX of such Act pursuant to sub-sections 93(1)(b) or (c) thereof, is completed in respect of more than 20% of Cott's common shares and the majority of the members who were members of our board of directors prior to completion of such take-over bid are replaced within 60 days following completion of such take-over bid; or

- B. any of the following occur: (A) any consolidation, merger or amalgamation of Cott with or into any other corporation whereby our voting shareowners immediately prior to such event receive less than 50% of the voting shares of the consolidated, merged or amalgamated corporation; (B) a sale by us of

Table of Contents

all or substantially all of our undertakings or assets; (C) a proposal by or with respect to Cott being made in connection with our liquidation, dissolution or winding up; (D) any reorganization, reverse stock split or recapitalization of Cott that would result in a Change of Control as otherwise defined herein; or (E) any transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing.

Under the Legacy Retention Plan, each participant is assigned to one of three groups, which correspond to severance multiples as follows: Level 1 Employees-2 times; Level 2 Employees-1.5 times; Level 3 Employees-1 time. Mr. Leiter is a Level 3 employee.

The Legacy Retention Plan contemplates a window (the **Change of Control Window**) that begins 90 days prior to the Change of Control or the first public announcement thereof and continues past the Change of Control for a length of one year multiplied by each participant's severance multiple.

The Legacy Retention Plan defines **Cause** in the same way as the Severance Plan described on page 46 of this proxy circular.

The Legacy Retention Plan defines **Good Reason** to include any of the following:

- (i) a material diminution in the participant's title or duties or assignment to the participant of materially inconsistent duties;
- (ii) in the case of a participant who is identified in his award letter as a Level 1 Employee and who reports to the Chief Executive Officer as of the date on which he becomes a participant under this Plan, a change in the reporting structure of the participant such that he no longer reports to the Chief Executive Officer (or their equivalent) or any successor thereto following a Change of Control, including a successor to all or substantially all of the business, assets or undertakings of Cott;
- (iii) a reduction in the participant's then current annual base salary or target bonus opportunity as a percentage of annual base salary;
- (iv) relocation of the participant's principal place of employment to a location that is more than 50 miles away from his principal place of employment on the date upon which he became a participant, unless such relocation is effected at the request of the participant or with his approval;
- (v) a material breach by Cott of any provisions of the Legacy Retention Plan, or any employment agreement to which the participant and Cott are parties, after written notice by the participant of the breach and such failure remaining uncorrected following an opportunity for Cott to correct such failure within 10 days of the receipt of such notice; or
- (vi) the failure of Cott to obtain the assumption in writing of its obligation to perform the Legacy Retention Plan by any successor to all or substantially all of the business or assets of Cott within 15 days after a merger, consolidation, sale or similar transaction.

If a participant's employment is terminated by us without Cause or by the participant for Good Reason, he will receive a cash payment of an amount equal to the participant's total annual base salary, car allowance and target bonus multiplied by the participant's severance multiple, less applicable withholdings. The terminated participant would also be paid accrued salary, vacation and a pro rata bonus at target for the year in which the termination took place, less applicable withholdings. In addition, the terminated participant would continue to receive benefits under our benefit plans for the number of years equal to his severance multiple, where we may do so legally and in accordance with the applicable benefit plans in effect from time to time. If the participant's employment is terminated during the Change of Control Window, he would also receive accelerated vesting of rights under our equity incentive plans.

If a participant's employment is terminated by us without Cause or by the participant for Good Reason at a time that falls outside the Change of Control Window, he will receive a cash payment of an amount equal to the participant's total annual base salary, car allowance and target bonus multiplied by the participant's severance

Table of Contents

multiple, less applicable withholdings. The terminated participant would also be paid accrued salary, vacation and a pro rata bonus at target for the year in which the termination took place, less applicable withholdings. In addition, the terminated participant would continue to receive benefits under our benefit plans for the number of years equal to his severance multiple.

Level 1 Employees receive gross-up payments in the event excise tax is imposed. Payments to Level 2 or 3 Employees who would otherwise be subject to excise tax are reduced, or cut back, to an amount that will result in no portion of the payments being subject to the excise tax. The 280G excise tax and gross-up is an estimated amount assuming an effective individual income tax rate of 40%. This amount is determined on the basis that the amount subject to excise tax would not be decreased by amounts attributable to reasonable compensation for services before the change of control.

Participants whose employment terminates for Cause, or by voluntary resignation (other than for Good Reason), death, or disability are not entitled to benefits under the Legacy Retention Plan.

Payments to Gregory Leiter under the Legacy Retention Plan

Assuming his employment had been terminated by Cott without Cause or by him for Good Reason on December 28, 2012 outside a Change of Control Window, Mr. Leiter would have been entitled to the following:

	Cash Severance (\$)	Non Equity Incentive Plan Payment (\$)	Medical Continuation (\$)	280G Cut-back (\$) ⁽¹⁾	Pro Rata Equity Awards (\$)	Total (\$)
Gregory Leiter	259,875	123,187	15,356		197,861	596,279

(1) As a Level 3 Employee, Mr. Leiter may receive a 280G cut-back.

Assuming his employment had been terminated by Cott without Cause or by him for Good Reason on December 28, 2012 inside a Change of Control Window, Mr. Leiter would have been entitled to the following:

	Cash Severance (\$)	Non Equity Incentive Plan Payment (\$)	Medical Continuation (\$)	280G Cut-back (\$) ⁽¹⁾	Accelerated Vesting (\$)	Total (\$)
Gregory Leiter	259,875	123,187	15,356		445,769	844,187

(1) As a Level 3 Employee, Mr. Leiter may receive a 280G cut-back.

The payments to Mr. Leiter would be made by us as a lump sum after the date of termination of employment or, if a six-month delay is required to comply with Code Section 409A (for our named executive officers who are U.S. residents), on the first business day of the seventh month following the month in which termination occurs. The payments would be made within 30 days of an individual termination, 60 days of a group termination, and 120 days of a termination in connection with a Change of Control.

Participants in the Legacy Retention Plan agree to non-competition and non-solicitation provisions that continue beyond termination for the number of years equal to the applicable severance multiple, regardless of the cause of termination. The Legacy Retention Plan supersedes applicable provisions of each participant's prior employment agreement, and participants agree to execute a general release of claims against Cott in return for payments under the Legacy Retention Plan.

Payments to Other Named Executive Officers

Mr. Wells, Mr. Cravens and Ms. Poe do not participate in either the Severance Plan or the Legacy Retention Plan.

Table of Contents

Mr. Wells's employment letter agreement, dated January 14, 2012, provides that if his employment is terminated by Cott without Cause or by Mr. Wells for Good Reason (each as defined therein), he would be entitled to receive a cash payment in an amount equal to nine months of his then-current annual base salary, less all applicable withholding taxes, payable within 30 days of such termination, except in the case of an involuntary termination that is a part of a group termination program, in which case the payment would be made within 60 days.

Mr. Cravens's employment letter agreement, dated September 8, 2009, provides that if his employment was terminated by Cott without Cause or by Mr. Cravens for Good Reason (each as defined therein), he would have been entitled to receive a cash payment in an amount equal to nine months of his then-current annual base salary, less all applicable withholding taxes, payable over a nine-month period beginning 30 days after the date of termination. Mr. Cravens retired as Chief Financial Officer of Cott effective March 20, 2012, and Mr. Wells was appointed as Chief Financial Officer of Cott, effective upon Mr. Cravens's retirement. Mr. Cravens continued with Cott until the end of 2012 to ensure an efficient transition to Mr. Wells.

Ms. Poe's employment letter agreement, dated January 14, 2010, provides that if her employment is terminated by Cott without Cause or by Ms. Poe for Good Reason (each as defined therein), she would be entitled to receive a cash payment in an amount equal to six months of her then-current annual base salary, less all applicable withholding taxes, payable within 30 days of such termination, except in the case of an involuntary termination that is a part of a group termination program, in which case the payment would be made within 60 days.

Assuming their employment had been terminated on December 28, 2012 by Cott without Cause or by the executive for Good Reason, Mr. Wells, Mr. Cravens and Ms. Poe would have been entitled to the following cash payments:

	Cash Payments	Pro Rata Equity Awards	Total
	(\$)	(\$)	(\$)
Jay Wells	262,500	216,370	478,870
Neal Cravens	267,750	230,069	497,819
Marni Poe	165,816	311,955	477,771

Termination by Cott for Cause; Resignation by the Executive Officer other than for Good Reason

We are not obligated to make any cash payment or benefit to any of our executive officers if the executive officer's employment is terminated by us for Cause or if the executive officer resigns for other than Good Reason (each as defined in applicable severance arrangements), other than the payment of unpaid salary and accrued and unused vacation pay.

Termination because of Death or Disability

Upon an executive officer's death or disability, we pay accrued salary and a prorated target bonus to the executive officer or the executive officer's estate. Upon an executive officer's death, a pro rata portion of any restricted shares, restricted share units, performance shares or performance units granted to such executive officer under the 2010 Equity Incentive Plan vest and are paid, in the case of performance shares or units, upon certification by the Compensation Committee of the achievement of the results for the applicable performance period, and in the case of restricted shares or restricted share units, following the executive officer's death. We provide executive-level life, short-term disability, and long-term care benefits to our executive officers that are not also available to our employees generally. Amounts in respect of such benefits are disclosed in the Summary Compensation Table on page 38 of this proxy circular.

Table of Contents**THE HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT**

The Human Resources and Compensation Committee of Cott's board of directors (collectively, the **Compensation Committee**) has submitted the following report for inclusion in this proxy circular:

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this proxy circular with management. Based on the Compensation Committee's review of and the discussions with management with respect to the Compensation Discussion and Analysis, the Compensation Committee recommended to the board of directors that the Compensation Discussion and Analysis be included in this proxy circular and incorporated into Cott's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 for filing with the SEC and with all applicable Canadian securities authorities.

The foregoing report is provided by the following directors, who constitute the Compensation Committee:

ANDREW PROZES, CHAIR

BETTY JANE HESS

MARIO PILOZZI

February 13, 2013

EQUITY COMPENSATION PLAN INFORMATION

Set out below is information about the 2010 Equity Incentive Plan and the 1986 Option Plan, the only plans with awards outstanding as of December 29, 2012. After the adoption and shareowner approval of the 2010 Equity Incentive Plan, in early 2011 the board of directors determined to terminate the 1986 Option Plan and certain of our other equity compensation plans. Options issued to participants under the 1986 Option Plan will continue to become exercisable, terminate and be forfeited in accordance with the terms of the 1986 Option Plan. The 2010 Equity Incentive Plan and the 1986 Option Plan generally require us to issue shares that would be dilutive to our shareowners.

Plan Category	Number of Common Shares to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by shareowners			
2010 Equity Incentive Plan ⁽¹⁾	1,696,184 ⁽²⁾	US\$6.58 ⁽³⁾	812,584
Equity compensation plans not approved by shareowners			
Restated Cott Corporation 1986 Common Share Option Plan, as amended ⁽⁴⁾	125,000	CDN\$9.49	0
Total	1,821,184	US\$7.38⁽⁵⁾	812,584

(1) The 2010 Equity Incentive Plan was approved by shareowners on May 4, 2010.

(2) Represents 529,188 time-based restricted share units, 824,517 performance-based restricted share units, and 342,479 stock options granted (and not vested, exercised, forfeited or cancelled, as applicable) under the 2010 Equity Incentive Plan. If any of the shares to be issued pursuant to time-based restricted share

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units, performance-based restricted share units, or stock options are forfeited, expired, or are cancelled or settled without the issuance of shares, they will return to the pool of shares available for issuance under the 2010 Equity Incentive Plan.

Table of Contents

- (3) Represents the weighted-average exercise price of stock options granted under the 2010 Equity Incentive Plan.
- (4) As the 1986 Option Plan was adopted prior to our initial public offering, it was not approved by shareowners. Subsequent amendments to the plan that required shareowner approval have been approved by shareowners. The 1986 Option Plan is administered in Canadian dollars.
- (5) Represents the weighted-average exercise price of outstanding options granted under the 2010 Equity Incentive Plan and the 1986 Option Plan. The option prices for options granted under the 1986 Option Plan were converted to U.S. dollars at a conversion rate of 1.00675, which is the Canadian to U.S. conversion rate for December 29, 2012 listed on OANDA.com

2010 Equity Incentive Plan

The 2010 Equity Incentive Plan is administered by the Compensation Committee or any other board committee as may be designated by the board from time to time. The 2010 Equity Incentive Plan provides the Compensation Committee flexibility to design compensatory awards that are responsive to Cott's needs. Subject to the terms of the 2010 Equity Incentive Plan and applicable statutory and regulatory requirements, the Compensation Committee has the discretion to determine the persons to whom awards will be granted under the plan, the nature and extent of such awards, the times when awards will be granted, the duration of each award, and the restrictions and other conditions to which payment or vesting of awards may be subject.

Awards under the 2010 Equity Incentive Plan may be in the form of stock options, stock appreciation rights, restricted shares, restricted share units, performance shares, performance units or stock payments. Full-time, part-time or contract employees of Cott and its subsidiaries and non-employee directors of Cott may be selected by the Compensation Committee to receive awards under the 2010 Equity Incentive Plan.

The 2010 Equity Incentive Plan provides that up to 4,000,000 shares may be issued under the plan. Common shares issued under the 2010 Equity Incentive Plan may be newly-issued shares, shares held in Treasury or shares that have been reacquired by Cott. No participant may receive awards during any one calendar year representing more than 2,000,000 common shares. In addition, the maximum amount that may become vested under any cash-denominated award during any one calendar year is five million dollars (\$5,000,000). These limits are subject to adjustments by the Compensation Committee as provided in the 2010 Equity Incentive Plan for share splits, share dividends, recapitalizations and other similar transactions or events. In addition, the number of common shares issuable to insiders of Cott (as defined in Part I of the Toronto Stock Exchange Company Manual) at any time, and the number of shares issued to insiders of Cott within any one year period, under the 2010 Equity Incentive Plan or when combined with all of Cott's other security based compensation arrangements (as described in the Toronto Stock Exchange Company Manual), may not exceed 10% of Cott's issued and outstanding common shares, respectively. In addition, neither the board nor the Compensation Committee may, without further shareowner approval, grant to non-employee directors an amount equal to or greater than the lesser of (i) 1% of Cott's issued and outstanding common shares; and (ii) an annual equity award of \$100,000 per non-employee director. The aforementioned restriction may not be amended without further shareowner approval.

In 2012, Cott granted 96,010 common shares to the non-management members of our board of directors in consideration of such directors annual board retainer fee. Cott also granted 330,969 performance-based restricted share units, 441,996 time-based restricted share units and 384,546 stock options to certain of its employees. The performance-based restricted share units vest based on the achievement of a specified target level of cumulative pre-tax income for the period beginning on January 1, 2012 and ending on the last day of our 2014 fiscal year. The payout percentage of the performance-based restricted share units and the related unrecognized compensation cost is subject to change based on the level of targeted pre-tax income that is achieved during the period beginning on January 1, 2012 and ending on the last day of our 2014 fiscal year. The time-based restricted share units and stock options vest on the last day of our 2014 fiscal year, assuming the participant's continued employment on that date.

In 2011, Cott granted 76,110 common shares to the non-management members of our board of directors in consideration of such directors annual board retainer fee. Cott also granted 592,163 performance-based

Table of Contents

restricted share units and 151,545 time-based restricted share units to certain of its employees. The performance-based restricted share units vest based on the achievement of a specified target level of cumulative pre-tax income for the period beginning on January 1, 2011 and ending on the last day of our 2013 fiscal year. The payout percentage of the performance-based restricted share units and the related unrecognized compensation cost is subject to change based on the level of targeted pre-tax income that is achieved during the period beginning on January 1, 2011 and ending on the last day of our 2013 fiscal year. The time-based restricted share units vest on the last day of our 2013 fiscal year, assuming the participant's continued employment on that date.

In 2010, Cott granted 78,790 common shares to the non-management members of our board of directors in consideration of such directors' annual board retainer fee. Cott also granted 1,726,807 performance-based restricted share units and 1,396,807 time-based restricted share units to certain of its employees. The performance targets established for the performance-based restricted share units were not met and, as a result, these awards did not vest. The time-based restricted share units vested on the last day of our 2012 fiscal year.

The Compensation Committee has recommended, and the board of directors has approved, the terms of the Amended and Restated Equity Plan, subject to shareholder approval, pursuant to which the 2010 Equity Incentive Plan will be amended and restated to, among other things, increase the number of shares that may be issued to 12,000,000 shares and to provide that the number of shares available for issuance will be reduced 2.0 shares for each share issued pursuant to a full-value award (i.e. an award other than an option or stock appreciation right). Further discussion of the terms of the Amended and Restated Equity Plan appears under the heading **Approval of Amended and Restated Cott Corporation Equity Incentive Plan** on page 66 of this proxy circular.

Restated 1986 Common Share Option Plan

After the adoption of the 2010 Equity Incentive Plan, the board determined that the 1986 Option Plan was no longer needed and terminated the 1986 Option Plan, effective February 23, 2011. Outstanding options will continue in accordance with the terms of the 1986 Option Plan plans until exercised, forfeited or terminated, as applicable. Future awards are expected to be governed by the terms of our 2010 Equity Incentive Plan, as it may be amended. The following description of the 1986 Option Plan is provided because options to purchase Cott shares remain outstanding under it notwithstanding its termination.

Prior to its termination, the 1986 Option Plan was administered by the Compensation Committee. Subject to certain limitations, the Compensation Committee had discretion to determine eligibility for participation in the 1986 Option Plan, the number of common shares for which options were granted, the date of grant of option awards and the vesting period for each option. The exercise price of options was the fair market value of our common stock based on the closing price on the Toronto Stock Exchange the day before the grant. Upon ceasing to serve as an employee or director of Cott, options are generally forfeited if not exercised within 60 days.

Options held by our non-employee directors vest immediately and are reflected in footnote 3 to the table under the heading **Compensation of Directors** on page 14 of this proxy circular.

DIRECTORS AND OFFICERS INSURANCE

We provide insurance for the benefit of our directors and officers against certain liabilities that may be incurred by them in their capacity as directors and officers, as specified in the policy. The current annual policy limit is \$75,000,000. We are reimbursed for amounts paid to indemnify directors and officers, subject to a deductible of \$750,000 for securities claims and a deductible of \$500,000 for all other claims. The deductible is our responsibility. There is no applicable deductible if we are unable to indemnify. The annual premium, which is currently \$683,706, is paid by us.

Under the terms of our by-laws and agreements with each of our directors, we indemnify our directors and officers against certain liabilities incurred by them in their capacity as directors and officers to the extent permitted by law.

Table of Contents

CORPORATE GOVERNANCE

Board and Management Roles

The board of directors has explicitly assumed responsibility for the stewardship of Cott, including:

the adoption of a strategic planning process,

the identification of the principal risks for Cott and the implementation of appropriate risk management systems,

succession planning and monitoring of senior management,

ensuring that we have in place a communications policy to enable us to communicate effectively and in a timely manner with our shareowners, other stakeholders and the public generally, and

the integrity of our internal control and management information systems.

All decisions materially affecting Cott, our business and operations, including long-term strategic and operational planning, must be approved by the board prior to implementation. Each year, management presents a strategic plan to the board for review and approval.

To assist in discharging its responsibilities effectively, the board has established three committees: the Audit Committee, the Corporate Governance Committee and the Human Resources and Compensation Committee. The roles of the committees as part of our governance process are outlined below, and their charters may be viewed on our website at www.cott.com. Each committee has the authority to retain special legal, accounting or other advisors.

Allocation of Responsibility between the Board and Management

The board has adopted a written mandate, the text of which is set out in Appendix C. The business and affairs of Cott are managed by or under the supervision of the board in accordance with all applicable laws and regulatory requirements. The board is responsible for providing direction and oversight, approving our strategic direction and overseeing the performance of our business and management. Management is responsible for presenting strategic plans to the board for review and approval and for implementing our strategic direction. The board has approved a job description for the Chief Executive Officer, which specifically outlines the responsibilities of this position. One of these responsibilities is to prepare, on behalf of management, a written statement of management's objectives, plans and standards of performance. This report is reviewed and approved annually by both the Compensation Committee and the entire board. Additionally, we have established a lead independent director role and position descriptions for the chairman of the board and for each committee chair.

Board Oversight of Risk

Pursuant to the written mandate, management is responsible for day-to-day risk management and is responsible for implementing the risk management strategy for Cott. Risk oversight is a responsibility of the full board that is administered by the Audit Committee pursuant to the Audit Committee Charter. The Audit Committee discusses with management our guidelines and policies with respect to risk assessment, risk management, and major strategic, financial and operational risk exposures such as fraud, environmental, competitive and regulatory risks, and the steps management has taken to monitor and control any exposure resulting from such risks.

The Audit Committee regularly reports to the board on the risks to Cott. Additionally, management from time to time reports to the board on the risks to Cott. Adjustments to the initiatives undertaken in connection with the risk assessment process may be made as a result of such reports. Over the course of the year, the Audit Committee further reviews with the board the risks facing Cott. We believe that the board oversight and involvement in risk assessment provides effective oversight of Cott's enterprise risks.

Table of Contents

Board's Expectations of Management

The board expects management to pursue the following objectives:

produce timely, complete and accurate information on our operations and business and on any other specific matter that may, in management's opinion, have material consequences for us, our shareowners and other stakeholders,

act on a timely basis and make appropriate decisions with regard to our operations, in accordance with all the relevant requirements and obligations and in compliance with our policies, with a view to increasing shareowner value,

apply a rigorous budget process and closely monitor our financial performance in terms of the annual budget approved by the board,

develop and implement a strategic plan in light of trends in the market, and

promote high ethical standards and practices in conducting our business.

Board Leadership

Our board is composed of 11 directors, 10 of whom are independent. Mr. David Gibbons is the Chairman of our board. Mr. Rosenfeld serves as our Lead Independent Director. The only nominee for director who is not independent is 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.

Cott has a separate Chairman of the Board and Chief Executive Officer. The board feels that separating the role of Chairman and Chief Executive Officer is in the best interests of shareowners at this time. This structure ensures a greater role for independent directors in the oversight of Cott and active participation by the independent directors in establishing priorities and procedures for the work of the board. The board believes that its leadership structure has not been affected by the board's administration of the risk oversight function.

For each regular board meeting and most special meetings the Chairman establishes the agenda. Each member of the board may suggest items for the agenda and may also raise at any meeting subjects that are not on the agenda for that meeting.

The board believes that it is beneficial to designate a Lead Independent Director, and requires it whenever the Chairman is not independent. While David Gibbons was serving as Interim Chief Executive Officer in 2008 and early 2009, Mr. Rosenfeld became Lead Independent Director. The board determined to continue this arrangement even after Mr. Gibbons ceased to serve as Interim Chief Executive Officer and became Chairman. The Lead Independent Director acts in a supportive capacity to the Chairman and acts as Chairman in the event the Chairman is unavailable.

The board conducts an annual evaluation to determine whether it and its committees are functioning effectively, which includes an evaluation of whether the current leadership structure continues to be optimal for Cott and its shareowners. The board conducted this evaluation for 2012 and determined not to make changes to the leadership structure.

Shareowner Communications

We seek to maintain a transparent and accessible exchange of information with all of our shareowners and other stakeholders with regard to our business and performance, subject to the requirements of all applicable laws and any other limitations of a legal or contractual nature. In addition to our timely and continuous disclosure obligations under applicable law, we regularly distribute information to our shareowners and the investment community through conferences, webcasts made available to the public and press releases. Shareowners and

Table of Contents

other interested parties are invited to communicate with one or more of our directors, including the Lead Independent Director or with our non-management directors as a group, by sending a letter to the attention of the directors, or any one of them, c/o Cott Corporation, 5519 West Idlewild Avenue, Tampa, Florida, U.S.A. 33634 or by sending an e-mail to Cottboard@cott.com. The letter or e-mail should indicate that you are a Cott shareowner or your other interest in Cott. Unless the letter or e-mail contains unsolicited advertising material, it will be forwarded to the director or directors to whom it is addressed (or, if it is not directed toward a specific director, to our Chairman).

Composition of the Board

Our articles of amalgamation permit a minimum of three and a maximum of 15 directors. The size of the board is currently set at 11 members, a number that the board considers to be adequate given our size and the nature of our shareowner constituency.

Board members are encouraged to attend each annual meeting of shareowners. All of our directors attended the 2012 annual meeting in person.

Independence of the Board

The only nominee for director who is not independent is 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. Mr. Rosenfeld serves as our Lead Independent Director.

At all meetings of the board and committees of the board, any non-management board member may request that all members of management, including management directors, be excused so that any matter may be discussed without any representative of management being present. The non-management directors, all of whom are independent, meet independently of management as part of each regularly scheduled meeting of the board. In addition, directors who have a material interest in a transaction or agreement are required to disclose the interest to the board and to refrain from voting on the matter, and they do not participate in discussions relating to the transaction or agreement.

Each of the Compensation Committee, the Corporate Governance Committee and the Audit Committee is comprised entirely of independent directors. The board oversees the establishment and function of all committees, the appointment of committee members and their conduct. The board has considered the independence of each of its members for purposes of the rules of the NYSE and, where applicable, NI 58-101. See **Certain Relationships and Related Transactions** on page 17 of this proxy circular.

Board Committees

The board has the following standing committees: Corporate Governance Committee, Audit Committee and Compensation Committee. The charters of these committees are available on our website, www.cott.com. From time to time, the board may form additional committees in its discretion.

Corporate Governance Committee

Members: Eric Rosenfeld (Chair), David T. Gibbons, Stephen Halperin, Andrew Prozes, Mark Benadiba

The board has determined that each member of the Corporate Governance Committee is independent within the meaning of the rules of the NYSE and NI 58-101. The Corporate Governance Committee is responsible for developing and monitoring our approach to corporate governance issues in general. Specifically, the Corporate Governance Committee is responsible for:

developing and maintaining a set of corporate governance principles applicable to Cott and monitoring, on behalf of the board of directors, Cott's approach to corporate governance issues,

Table of Contents

reviewing periodically and recommending changes to the governing documents and the mandates of the board committees,

establishing and articulating qualifications and other selection criteria for the members of the board or any board committee,

advising the board of directors regarding the appropriate number of directors, and identifying and recommending the nomination of new members to the board and its committees from time to time and nominees for each annual meeting of shareholders (and as such functions as a nominating committee),

in the event that a director's principal employment responsibilities change (except for internal promotions within his or her organization) and that director tenders his or her resignation from the board as required pursuant to the Corporate Governance Guidelines, recommend to the board whether or not such resignation should be accepted,

advising the board with respect to the board's leadership structure and the positions held by the members of the board,

ensuring that management develops, implements and maintains appropriate orientation and education programs for directors and schedules periodic presentations for directors to ensure they are aware of major business trends and industry and corporate governance practices,

developing and recommending to the board of directors for approval an annual self-evaluation process of the board and its committees (including each member thereof) and management,

monitoring the quality of the relationship between management and the board and recommending any areas for improvement,

reporting on corporate governance as required by all applicable public disclosure requirements,

reviewing and assessing annually Cott's Corporate Governance Guidelines,

reviewing and, as appropriate, modifying the Code of Business Conduct and Ethics, and pre-approving any request for a waiver of such Code,

reviewing all related party transactions, whether or not reportable pursuant to applicable securities laws and regulations,

reviewing on at least an annual basis the way in which Cott's corporate governance is being evaluated by relevant external organizations and publications,

being responsible for those matters assigned to it under Cott's Code of Business Conduct and Ethics and Code of Ethics for Senior Officers,

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reviewing and reassessing the adequacy of the Corporate Governance Committee's charter annually and recommending any proposed changes to the board for approval, and

reviewing and assessing the Corporate Governance Committee's own performance on an annual basis and reporting regularly to the board regarding the results of the Corporate Governance Committee's activities.

In selecting candidates for the board, the Corporate Governance Committee applies a number of criteria, including:

each director should be an individual of the highest character and integrity,

each director should have sufficient experience to enable the director to make a meaningful contribution to the board and to Cott,

each director should have sufficient time available to devote to our affairs in order to carry out his or her responsibilities as a director,

each person who is nominated as an independent director should meet all of the criteria established for independence under applicable securities or stock exchange laws, rules or regulations,

Table of Contents

whether the residency of the nominee will impact residency and qualification requirements under applicable legislation relating to the composition of the board and its committees, and

whether the person is being nominated, or is precluded from being nominated, to fulfill any contractual obligation we may have. In addition to the factors considered above, the Corporate Governance Committee also considers how a nominee will contribute to the diversity of the board, which is measured by a number of factors, including professional background, education, race, gender, and residence (subject to any applicable law or regulation).

The Corporate Governance Committee considers suggestions as to nominees for directors from any source, including any shareowner. Shareowners wishing to suggest a candidate for a director should write to our Secretary no later than November 28, 2013 at our executive office and include:

a statement that the writer is a shareowner and is proposing a candidate for consideration by the Corporate Governance Committee,

the name and contact information for the candidate,

a statement of the candidate's business and educational experience,

information regarding each of the factors listed above, other than those in respect of board size and composition, to enable the committee to evaluate the candidate,

a statement detailing the relationship between the candidate and us or any of our customers, suppliers or competitors,

detailed information about any relationship or understanding between the writer and the proposed candidate, and

a statement that the candidate is willing to be considered as a candidate and willing to serve as a director if nominated and elected. The Corporate Governance Committee conducts assessments of the board and its committees at least annually. Directors are required to complete an evaluation of the performance of the board, its committees and directors, which are then reviewed by the Corporate Governance Committee, and conclusions and recommendations resulting therefrom are reported to the full board.

New directors are provided with material respecting Cott and attend information sessions and plant tours with management in order to familiarize themselves with the business. They also meet with company representatives to review the mandates and roles of the board and its committees, as well as applicable corporate policies. Directors regularly meet with management to discuss corporate developments and participate in plant tours from time to time. In addition, directors are provided with materials concerning matters to be discussed at an upcoming meeting prior to the meeting.

The Corporate Governance Committee may from time to time engage outside advisors to assist in identifying and evaluating potential nominees to the board.

The Corporate Governance Committee met four times in 2012.

Audit Committee

Members: Graham W. Savage (Chair), George Burnett, Gregory Monahan

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The Audit Committee reports directly to the board. Each member has been determined by the board to be independent within the meaning of the rules of the NYSE and Rule 10A-3 of the Exchange Act.

Table of Contents

The Audit Committee, on behalf of the board, oversees the integrity of our annual and interim consolidated financial statements, compliance with applicable legal and regulatory requirements, significant financial reporting issues, the internal audit function, the annual independent audit of our financial statements, the independent auditor's qualifications and independence, the performance of our internal auditors and independent auditor and is responsible for satisfying itself that we have implemented appropriate systems of internal controls. The Audit Committee reviews the terms of engagement and proposed overall scope of the annual audit with management and the independent auditor. See **Independent Registered Certified Public Accounting Firm Audit Committee Report** on page 63 of this proxy circular.

The Audit Committee is also tasked with fulfilling the board's oversight role with respect to risk management.

The Audit Committee operates pursuant to a written charter that was most recently updated in February 2013, the text of which is set out in Appendix D. Each member of the Audit Committee is financially literate. Additionally, the board has determined that Mr. Savage qualifies as an audit committee financial expert as such term is defined in the rules of the SEC. The Audit Committee met six times in 2012.

Human Resources and Compensation Committee

Members: Andrew Prozes (Chair), Betty Jane Hess, Mario Pillozzi

The board has determined that each member of the Compensation Committee is independent within the meaning of the rules of the NYSE and NI 58-101. See **Certain Relationships and Related Transactions** on page 17 of this proxy circular. The Compensation Committee's charter includes:

recommending to the independent members of the board the annual compensation of the Chief Executive Officer, including base salary, incentive bonus structure, targets, pay-out levels, long-term incentive awards and perquisites,

establishing the annual compensation of our executive officers, other than the Chief Executive Officer,

periodically reviewing with the board and approving short-term and long-term incentive compensation programs and equity-based plans, including general plan administration such as determining eligibility, and setting targets,

reviewing and recommending to the board the remuneration to be paid to members of the board,

reviewing all executive compensation disclosure before such information is publicly disclosed by Cott, and

evaluating whether and to what extent Cott's compensation policies or practices create incentives that affect risk taking.

The Compensation Committee also is responsible for reviewing and reporting periodically to the board of directors on our organizational structure and ensuring that an appropriate succession plan for the Chief Executive Officer and our executive officers has been developed. The Compensation Committee met five times in 2012.

In determining the amount of compensation for directors, the Compensation Committee reviews industry publications and trends provided by Cook to determine the appropriate level of compensation. The Compensation Committee then reports its findings and makes recommendations to the board of directors for approval.

In 2012, the Compensation Committee continued to retain 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 did not provide any additional services to the board or management. Cott paid Cook \$64,979 for services rendered during 2012.

Table of Contents

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.

For more information regarding the function of the Compensation Committee, see **Compensation Discussion and Analysis** beginning on page 19 of this proxy circular.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

No member of the Compensation Committee is or was during 2012 an employee, or is or ever has been an officer, of Cott or its subsidiaries. No executive officer of Cott served as a director or a member of the Compensation Committee of another company, one of whose executive officers served as a member of Cott’s board of directors or Compensation Committee.

INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

Approval of Appointment of Independent Registered Certified Public Accounting Firm

At the meeting you will be asked to approve the appointment of PricewaterhouseCoopers LLP, as our independent registered certified public accounting firm for the 2013 fiscal year. A majority of the votes cast must be in favor of this resolution in order for it to be approved. PricewaterhouseCoopers LLP will be appointed if a majority of the votes cast by those of you who are present in person or represented by proxy at the meeting are in favor of this action.

We recommend that you vote FOR the appointment of PricewaterhouseCoopers LLP.

IF YOU PROPERLY COMPLETE AND RETURN THE ENCLOSED FORM OF PROXY, YOUR SHARES WILL BE VOTED FOR THE APPROVAL OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP UNLESS YOU SPECIFICALLY INDICATE OTHERWISE ON THE FORM OF PROXY.

Principal Accounting Fees

The aggregate fees billed by PricewaterhouseCoopers LLP for professional services performed by PricewaterhouseCoopers LLP for us for 2012 and 2011 were as follows:

	Fees (\$)	
	2012	2011
Audit Fees (including out-of-pocket expenses)	2,230,000	2,541,575
Audit-Related Fees	148,800	222,000
Tax Fees	77,000	96,390
All Other Fees	2,700	2,700
Total	2,458,500	2,862,665

Table of Contents

Audit Fees

Audit fees are those for services related to the audit of our annual financial statements for inclusion in our Annual Report on Form 10-K for the 2012 and 2011 fiscal years and for the review of the financial statements included in our Quarterly Reports on Form 10-Q for those years.

Audit-Related Fees

Audit-related fees for the 2012 and 2011 fiscal years consisted primarily of audits of employee benefit plans, due diligence pertaining to business combinations, and other audit-related services.

Tax Fees

Tax fees in 2012 and 2011 consisted of tax compliance services and advice.

All Other Fees

All Other Fees for 2012 and 2011 consist of fees for products and services other than the services reported above.

Pre-Approval Policies and Procedures

In engaging Cott's independent registered certified public accounting firm, the Audit Committee considers the following guidelines:

For audit services, the independent auditor is to provide the Audit Committee with an engagement letter for each fiscal year outlining the scope of the audit services proposed to be performed. If agreed to by the Audit Committee, this engagement letter will be formally accepted by the Audit Committee. The independent auditor is to submit an audit services fee proposal for approval by the Audit Committee.

For non-audit services, management and the independent auditor will periodically submit to the Audit Committee for approval in advance a description of particular non-audit services. Management and the independent auditor will each confirm to the Audit Committee that each proposed non-audit service is permissible under applicable legal requirements. The Audit Committee must approve permissible non-audit services in order for us to engage the independent auditor for such services. The Audit Committee will be informed routinely as to the non-audit services actually provided by the independent auditor pursuant to this process.

If management proposes that the Audit Committee engage the independent auditor to provide a non-audit service that is not contemplated or approved by the Audit Committee pursuant to the process outlined above, management will submit the request to the Audit Committee. Our management and the independent auditor will each confirm to the Audit Committee that such non-audit service is permissible under all applicable legal requirements. Management will also provide an estimate of the cost of such non-audit service. The Audit Committee must approve the engagement for the non-audit service and the fees for such service prior to our engagement of the independent auditor for the purposes of providing such non-audit service.

Any amendment or modification to an approved permissible non-audit service must be approved by the Audit Committee or the chair of the Audit Committee prior to the engagement of the auditor to perform the service.

Our audit-related fees, tax fees, and all other fees in 2012 were pre-approved by the Audit Committee. The Audit Committee has determined that the provision of the non-audit services for which these fees were rendered is compatible with maintaining the independent auditor's independence.

Table of Contents

The Audit Committee has appointed PricewaterhouseCoopers LLP as Cott's independent registered certified public accounting firm for the 2013 fiscal year. One or more representatives of PricewaterhouseCoopers LLP will be present at the annual and special meeting, will have an opportunity to make a statement as he or she may desire and will be available to respond to appropriate questions.

Audit Committee Report

The Audit Committee reviewed and discussed with management Cott's audited financial statements. The Audit Committee reviewed with the independent auditor its judgment as to the quality, not just the acceptability, of Cott's accounting principles and such other matters as the Audit Committee and the auditor are required to discuss under generally accepted auditing standards, in particular those matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380, as adopted by the Public Company Accounting Oversight Board in Rule 3200T). The Audit Committee also reviewed with management and PricewaterhouseCoopers LLP the critical accounting policies underlying Cott's financial statements and how these policies were applied to the financial statements.

The Audit Committee received the written disclosures and the letter from the auditor required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Audit Committee concerning independence, and has discussed with the auditor the auditor's independence from Cott and management. Additionally, the Audit Committee has considered the compatibility of non-audit services with the auditor's independence.

Based on the foregoing reviews and discussions, the Audit Committee recommended to the board of directors that the audited financial statements be included in Cott's annual report on Form 10-K for the year ended December 29, 2012 for filing with the U.S. Securities and Exchange Commission.

GRAHAM SAVAGE, CHAIR

GREGORY MONAHAN

GEORGE BURNETT

February 13, 2013

Table of Contents

ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010, requires that we provide our shareowners with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this proxy circular in accordance with the compensation disclosure rules of the SEC. 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.

As described in detail under the heading **Compensation Discussion and Analysis**, beginning on page 19 of this proxy circular, we seek to closely align the interests of our named executive officers with the interests of our shareowners. 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. In considering our executive compensation program for 2012, we believe our shareowners will find the following information important:

In 2012, 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 Chief Executive Officer and those named executive officers who report directly to our Chief Executive Officer. Our Chief Accounting Officer, who reports to our Chief Financial Officer, was awarded a combination of performance-based restricted share units (25%) and time-based restricted share units (75%). All of these restricted share units and stock options cliff vest at the end of fiscal 2014, 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 2014. 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 2013, our named executive officers received the same types and relative percentages of equity awards as were awarded in 2012.

In 2012, as a result of Cott's improved operating performance and achievement of individual performance goals, and after a review of peer group and market data and the results of annual performance reviews, the base salary for 2012 for each of our named executive officers and the target bonus for one of our named executive officers were increased to better align the base salary and total compensation for those named executive officers with the 50th percentile of executives performing similar functions in the competitive market. Perquisites available to our named executive officers continued to be limited to an annual executive physical examination and a car allowance.

Our compensation programs for fiscal 2012 build upon our compensation framework and overall compensation philosophy. Features of this framework include:

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.

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.

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.

Table of Contents

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.

As described in Management's Discussion and Analysis of Financial Conditions and Results of Operations in our Annual Report on Form 10-K, Cott achieved increases in gross margin in line with Cott's gross margin restoration strategy, as well as significant cash generation, and we believe that our named executive officers were instrumental in helping us to achieve these results. Key highlights of our 2012 performance include the following:

We reported gross profit as a percentage of revenue of 12.9%, an increase of 110 basis points from 11.8% in 2011.

We continued to generate solid cash flow, generating free cash flow of \$103 million from net cash provided by operating activities of \$173 million less \$70 million in capital expenditures in 2012 (free cash flow is net cash provided by operating activities, less capital expenditures).

Our stock price on the NYSE increased 26% from \$6.26 on December 30, 2011, the last business day of our 2011 fiscal year, to \$7.90 on December 28, 2012, the last business day of our 2012 fiscal year.

For these reasons, the board is asking shareowners to vote to support our pay practices.

The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the compensation of our named executive officers, as described in this proxy circular in accordance with the compensation disclosure rules of the SEC. Although the vote we are asking you to cast is advisory and non-binding, our board and the Compensation Committee value the views of our shareowners and will consider the outcome of the vote when making future compensation decisions for our named executive officers. We believe that Cott benefits from constructive dialogue with our shareowners, and while we will continue to reach out to our shareowners on these and other important issues, we also encourage our shareowners to contact us. Shareowners who wish to communicate with our board should refer to **Shareowner Communications** on page 56 in this proxy circular for additional information on how to do so.

The text of the resolution is as follows:

Be it resolved as a resolution of the shareowners that the Company's shareowners hereby approve, on an advisory basis, the compensation paid to Cott Corporation's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including Compensation Discussion and Analysis, compensation tables and narrative discussion.

The board unanimously recommends a vote FOR the advisory approval of the compensation of our named executive officers, as disclosed in this proxy circular. Because the vote on executive compensation is advisory, there is technically no minimum vote requirement for that proposal. Notwithstanding the advisory nature of the vote, the resolution will be considered 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. Unless a proxy specifies that the shares it represents should abstain from voting or vote against the resolution set out above, the persons named in the enclosed proxy intend to vote in favor of the resolution.

Table of Contents

APPROVAL OF AMENDED AND RESTATED COTT CORPORATION EQUITY INCENTIVE PLAN

The board of directors adopted the Amended and Restated Equity Plan on February 14, 2013 and is submitting the Amended and Restated Equity Plan to Cott's shareowners for approval. If the Amended and Restated Equity Plan is approved by Cott's shareowners, it will become effective and will amend and restate the 2010 Equity Incentive Plan in its entirety.

The board of directors believes that the Amended and Restated Equity Plan will advance Cott's long-term success by (i) encouraging the long-term commitment of key employees and non-employee directors, (ii) motivating the performance of key employees and non-employee directors by means of long-term performance-related incentives, (iii) attracting and retaining outstanding key employees and non-employee directors by providing incentive compensation opportunities, and (iv) enabling participation by key employees and non-employee directors in the long-term growth and financial success of Cott. If the Amended and Restated Equity Plan is approved, the amount of awards to our non-employee directors, executive officers and other employees is not determinable at this time because such awards would be made in the future.

Significant Amendments to the Currently Effective Plan

As described in more detail below, the Amended and Restated Equity Plan increases the number of shares that may be issued under the 2010 Equity Incentive Plan from 4,000,000 to 12,000,000 shares, and provides for certain share-counting rules, including that the number of shares available for issuance under the Amended and Restated Equity Plan will be reduced by 2.0 shares for each share issued pursuant to a full-value award (i.e. an award other than an option or stock appreciation right).

Administration of the Amended and Restated Equity Plan

The Amended and Restated Equity Plan is administered by the Compensation Committee or any other board committee as may be designated by the board from time to time. The Amended and Restated Equity Plan provides the Compensation Committee flexibility to design compensatory awards that are responsive to Cott's needs. Subject to the terms of the Amended and Restated Equity Plan and applicable statutory and regulatory requirements, the Compensation Committee has the discretion to determine the persons to whom awards will be granted under the plan, the nature and extent of such awards, the times when awards will be granted, the duration of each award, and the restrictions and other conditions to which payment or vesting of awards may be subject. The Compensation Committee also may establish, amend and rescind rules and regulations relating to the plan, interpret the plan and any award or related agreement made under the plan, and otherwise make all other determinations it deems necessary for administering the plan.

The Compensation Committee also may amend the terms of outstanding awards, subject to certain conditions set forth in the plan. In the event of the occurrence of certain specified events, the Compensation Committee may amend or modify the vesting criteria (including performance objectives and related performance goals) of any outstanding award that is based in whole or in part on the financial performance of Cott (or any subsidiary or division or other subunit thereof) so as equitably to reflect such event.

Types of Awards Granted under the Amended and Restated Equity Plan

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.

Persons Eligible to Receive Awards

Full-time, part-time or contract employees of Cott and its subsidiaries and non-employee directors of Cott may be selected by the Compensation Committee to receive awards under the Amended and Restated Equity

Table of Contents

Plan. The benefits or amounts that may be received by or allocated to participants under the Amended and Restated Equity Plan will be determined at the discretion of the Compensation Committee and are not presently determinable.

Classes of Eligible Persons

Full-time, part-time or contract employees of Cott and its subsidiaries and non-employee directors of Cott are eligible to participate in the Amended and Restated Equity Plan, as selected and approved by the Compensation Committee. Approximately 4,000 employees and 10 non-employee directors would be eligible to participate in the Amended and Restated Equity Plan.

Definition of Fair Market Value

Fair market value means, with respect to a share on any determination date, the closing price of the shares on the NYSE on the last trading day on which Cott's common shares traded prior to such date; provided that if no shares traded in the five trading days prior to the determination date, the Compensation Committee shall determine the fair market value on a reasonable basis using a method that complies with Code Section 409A and guidance issued thereunder.

The fair market value of a common share on the NYSE on March 15, 2013 was \$9.59.

Shares Available for Issuance under the Amended and Restated Equity Plan

The Amended and Restated Equity Plan provides that up to 12,000,000 shares may be issued under such plan. The 2010 Equity Incentive Plan provided for the issuance of up to 4,000,000 shares of common stock, of which approximately 812,584 shares remained available for issuance as of December 29, 2012. As amended and restated, the Amended and Restated Equity Plan's share limitation is inclusive of the amount available for issuance under the 2010 Equity Incentive Plan, so the net increase in the number of shares available for issuance by virtue of the amendment and restatement is 8,000,000 shares:

	Common Stock
Proposed new maximum	12,000,000
Shares currently authorized	4,000,000
Net increase in maximum	8,000,000

The limit of 12,000,000 shares is subject to adjustments by the Compensation Committee as provided in the Amended and Restated Equity Plan for share splits, share dividends, recapitalizations and other similar transactions or events. This amount represents 12.58% of Cott's outstanding common shares on March 15, 2013.

Share Counting Rules

Approximately 3,187,416 shares have been issued or are subject to outstanding awards made pursuant to the 2010 Equity Incentive Plan, and those shares would be counted against the maximum number of shares available for issuance under the Amended and Restated Equity Plan.

Shares that are issued in the future under the Amended and Restated Equity Plan will be applied to reduce the maximum number of shares remaining available for issuance under the Amended and Restated Equity Plan; provided that the total number of shares available for issuance under the Amended and Restated Equity Plan will be reduced 2.0 shares for each share issued pursuant to a full-value award (i.e. an award other than an option or stock appreciation right).

Table of Contents

Any shares subject to an award that, at any time, lapses, is forfeited or cancelled, expires, or for any reason is terminated unexercised or unvested, or is settled or paid in cash or any form other than shares, will not count towards the maximum number of shares that may be issued under the Amended and Restated Equity Plan and will be available for future awards, with each share made available for awards in connection with the lapse, forfeiture, cancellation, termination or cash settlement of full-value awards increasing the number of shares available for reissuance by 2.0 shares. Similarly, any shares that are withheld by Cott, or any previously-acquired shares that are tendered (either actually or by attestation), in either case to satisfy any tax withholding obligation with respect to a full-value award, will not count towards the maximum number of shares that may be issued under the Amended and Restated Equity Plan and will be available for future awards, with each share made available for awards under this provision increasing the number of shares available for reissuance by 2.0 shares. The following shares will not again become available for issuance under the Amended and Restated Equity Plan: (i) any and all shares awarded as part of an option or stock appreciation right that are withheld by Cott to satisfy any tax withholding obligation, and any previously-acquired shares tendered (actually or by attestation) in payment of any taxes relating to an option or stock appreciation right; (ii) shares that would have been issued upon exercise of an option but for the fact that the exercise was pursuant to a net exercise arrangement or by any previously-acquired shares tendered in payment of such exercise price; (iii) shares covered by a stock appreciation right that are not issued in connection with the stock settlement of the stock appreciation right upon its exercise and (iv) shares that are repurchased by Cott using option exercise proceeds or otherwise.

Certain Limitations on Awards

No participant may receive awards during any one calendar year representing more than 2,000,000 common shares. In addition, the maximum amount that may become vested under any cash-denominated award during any one calendar year is five million dollars (\$5,000,000). In no event will the number of common shares issued under the plan upon the exercise of incentive stock options exceed 12,000,000 shares, representing 12.58% of Cott's common shares on March 15, 2013. These limits are subject to adjustments by the Compensation Committee as provided in the Amended and Restated Equity Plan for share splits, share dividends, recapitalizations and other similar transactions or events.

The number of common shares issuable to insiders of Cott (as defined in Part I of the Toronto Stock Exchange Company Manual) at any time, and the number of shares issued to insiders of Cott within any one year period, under the Amended and Restated Equity Plan or when combined with all of Cott's other security based compensation arrangements (as described in the Toronto Stock Exchange Company Manual), may not exceed 10% of Cott's issued and outstanding common shares, respectively. In addition, neither the board of directors nor the Compensation Committee may, without further shareholder approval, grant to non-employee directors an amount equal to the lesser of (i) 1% of Cott's issued and outstanding shares; and (ii) an annual equity award of \$200,000 per such director.

Terms Upon Which Options May Be Awarded

Stock options entitle the optionee to purchase common shares at a price equal to or greater than the fair market value on the date of grant. Options may be either incentive stock options or nonqualified stock options, provided that only nonqualified stock options may be granted to non-employee directors. The option may specify that the exercise price is payable (i) in cash, (ii) by the transfer to Cott of unrestricted shares that have an aggregate value at the time of exercise that is equal to the exercise price (including through a net exercise), (iii) with any other legal consideration the Compensation Committee may deem appropriate or (iv) any combination of the foregoing. In addition, the option may specify that the exercise price is payable by cashless exercise. No stock option may be exercised more than 10 years from the date of grant. Each grant may provide a period of continuous employment that is necessary before the options become vested, or may specify performance objectives of Cott or its subsidiaries that must be met before the stock option becomes vested.

Table of Contents

Terms Upon Which Stock Appreciation Rights May Be Awarded

Stock appreciation rights represent the right to receive an amount equal to the difference between the base price established for such rights and the fair market value of Cott's common shares on the date the rights are exercised. The base price must not be less than the fair market value of the common shares on the date the right is granted. The grant may specify that the amount payable upon exercise of the stock appreciation right may be paid by Cott (i) in cash, (ii) in common shares of Cott valued at the fair market value of Cott's common shares on the date of exercise or (iii) any combination of the foregoing. Any grant may specify a waiting period or periods before the stock appreciation rights may become exercisable and permissible dates or periods on or during which the stock appreciation rights shall be exercisable. No stock appreciation right may be exercised more than ten years from the grant date.

Terms Upon which Restricted Shares and Restricted Share Units May Be Awarded

An award of restricted stock involves the immediate transfer by Cott to a participant of ownership of a specific number of common shares in return for the performance of services. The participant is entitled immediately to voting, dividend and other ownership rights in such shares, subject to the discretion of the Compensation Committee; provided, however, that if the award of restricted shares is conditioned upon the attainment of certain performance objectives, the participant is not entitled to receive dividends until the restricted shares become vested unless otherwise determined by the Compensation Committee. Each grant may be made without a requirement for additional payment by the participant. Any grant or vesting of restricted shares may be further conditioned upon the attainment of one or more performance objectives. Upon expiration of the restriction period referred to below and satisfaction of any other terms or conditions (including performance objectives) set forth in an award agreement, the restricted shares become immediately non-forfeitable and are released by Cott to the participant without transferability restrictions.

A restricted share unit is denominated in units and represents the right to receive common shares of Cott. An award of restricted share units is payable to the participant in common shares of Cott as determined by the Compensation Committee. The participant is not entitled to any rights as a shareowner with respect to shares underlying such award until the underlying shares are issued to the participant, unless otherwise determined by the Compensation Committee. Each grant may be made without a requirement for additional payment by the participant. Any grant or the vesting of restricted share units may be conditioned upon the attainment of performance objectives established by the Compensation Committee.

Restricted shares and restricted share units must be subject to a substantial risk of forfeiture within the meaning of Code Section 83 for a period to be determined by the Compensation Committee on the grant date, and any grant or sale may provide for the earlier termination of such risk of forfeiture in the event of a change in control of Cott or other similar transaction or event. If a participant ceases to be an employee or a non-employee director, the number of shares subject to the award, if any, to which the participant is entitled is determined in accordance with the plan and the applicable award agreement. All remaining shares underlying restricted shares or restricted share units as to which restrictions apply at the date of termination will be forfeited subject to such exceptions, if any, authorized by the Compensation Committee. Restricted shares and restricted share units that vest solely as a result of the passage of time and continued service by the participant will be subject to a vesting period of not less than three years from the date of grant of the applicable award (but permitting pro rata vesting over such time), subject to certain exceptions as provided in the plan. Additionally, restricted shares and restricted share units whose vesting is subject to the achievement of specified performance objectives over a performance period will be subject to a performance period of not less than one year from the date of grant of the applicable award, subject to certain exceptions as provided in the plan.

Terms Upon Which Performance Shares and Units May Be Granted

A performance share is the equivalent of one common share, and a performance unit is the equivalent of \$1.00. Each grant will specify one or more performance objectives to be met during a specified performance period. A grant of performance shares or units may specify a threshold performance objective, below which no

Table of Contents

payment will be made, and may set forth a formula for determining the amount of any payment to be made if performance is at or above such minimum level. A grant of performance shares may specify that the amount payable with respect thereto may not exceed a maximum specified by the Compensation Committee on the grant date. A grant of performance units may specify that the amount payable, or the number of shares issued, with respect thereto may not exceed maximums specified by the Compensation Committee on the grant date. Performance shares or units must be subject to a substantial risk of forfeiture within the meaning of Code Section 83 for a period to be determined by the Compensation Committee on the grant date and any grant or sale may provide for the earlier termination of such risk of forfeiture in the event of a change of control of Cott or similar event. The Compensation Committee may adjust the performance objectives and the related minimum acceptable level of achievement if it determines that events or transactions have occurred after the grant date that are unrelated to the performance of the participant and result in distortion of the performance objectives or the related minimum acceptable level of achievement. To the extent earned, the performance shares or performance units will be paid to the participant at the time and in the manner determined by the Compensation Committee in cash, common shares of Cott or any combination thereof.

Terms Upon Which Stock Payments May Be Awarded

The Compensation Committee may issue unrestricted shares to participants, in such amounts and subject to such terms and conditions as the Compensation Committee may determine. A stock payment may be granted as, or in payment of, non-employee director fees, bonuses, or to provide incentives or recognize special achievements or contributions.

Consequences of Termination

Stock Options and Stock Appreciation Rights

Unless otherwise determined by the Compensation Committee, in the case of a participant's termination due to retirement, death, resignation with Good Reason, or termination without Cause, the participant's outstanding stock options and/or stock appreciation rights that have vested prior to the date of termination will continue to be exercisable during the period ending on the three year anniversary of the date of termination. In addition, the participant's outstanding options and/or stock appreciation rights that have not vested prior to the date of termination will vest and become exercisable as of the later of the date of termination and the one year anniversary of the effective date of the award and thereafter will continue to be exercisable for the remaining portion of the period ending on the three year anniversary of the date of termination. For stock options and stock appreciation rights that are subject to performance-based vesting, a participant's outstanding options and/or stock appreciation rights that have vested prior to the date of termination will continue to be exercisable during the period ending on the three year anniversary of the date of termination. In addition, the number of options and/or stock appreciation rights that vest on each subsequent applicable vesting date shall equal the pro rata number of options and/or stock appreciation rights that he or she would have earned on that vesting date had he or she been continuously employed through such date, as calculated by reference to the portion of the applicable performance period during which the participant was actually employed and thereafter will continue to be exercisable for the remaining portion of the period ending on the three year anniversary of the date of termination.

In the case of a participant's resignation without Good Reason, the participant's outstanding stock options and/or stock appreciation rights that have not vested prior to the date of termination will be forfeited and cancelled as of such date of termination and the participant's outstanding stock options and/or stock appreciation rights that have vested prior to the participant's date of termination will continue to be exercisable during the 90 day period following such date of termination.

Restricted Shares, Restricted Share Units, Performance Shares, and Performance Share Units

Unless otherwise determined by the Compensation Committee, in the case of a participant's death or termination due to retirement or termination without Cause or resignation with Good Reason, the number of restricted shares, restricted share units, performance shares and performance units to be deemed earned by such

Table of Contents

participant on each subsequent applicable vesting date will equal the pro rata number of restricted shares, restricted share units, performance shares and performance units that he or she would have earned on that vesting date had he or she been continuously employed through such date, as calculated by reference to the portion of the applicable restriction period or performance period during which the participant was actually employed.

In the event of a participant's termination due to the participant's voluntary resignation (other than upon retirement or with Good Reason), the participant's unvested restricted shares, restricted share units, performance shares and performance units will be forfeited immediately.

Termination for Cause

In the case of a participant's termination for Cause, any and all then outstanding awards (other than stock payments) granted to the participant, whether or not vested, will be immediately forfeited and cancelled, without any consideration therefor, as of the commencement of the day that notice of such termination is given.

Change in Control

Definition

A change in control under the Amended and Restated Equity Plan will occur upon:

- (i) the consummation of a consolidation, merger, amalgamation or other similar corporate reorganization of Cott whereby the voting shareowners of Cott prior to such event receive less than 50% of the voting shares of the surviving corporation, or, subject to certain limited exceptions, the acquisition by any person of securities representing 50% or more of the combined voting power of Cott's then outstanding securities;
- (ii) the consummation by Cott of a sale of all or substantially all of its assets;
- (iii) the date on which a majority of Cott's board of directors is not comprised of individuals who are members of the board, or individuals whose appointment, election or nomination is not approved by at least two thirds of the incumbent directors; or
- (iv) a liquidation, dissolution or winding up of Cott.

Continuation, Assumption or Replacement of Awards

In the event of a change in control, the surviving or successor entity (or its parent corporation) may continue, assume or replace awards outstanding as of the date of the change in control (with such adjustments as may be required or permitted by the Amended and Restated Equity Plan), and such awards or replacements will remain outstanding and be governed by their respective terms, subject to the terms of the Amended and Restated Equity Plan. A surviving or successor entity may elect to continue, assume or replace only some awards or portions of awards.

Acceleration of Awards

If and to the extent that outstanding awards under the Amended and Restated Equity Plan are not continued, assumed or replaced in connection with a change in control, then (i) outstanding options and stock appreciation rights issued to a participant that are not yet fully exercisable will immediately become exercisable in full and will remain exercisable in accordance with their terms, (ii) all unvested restricted shares, restricted share units, performance shares and performance units will become immediately fully vested and non-forfeitable; and (iii) any performance objectives applicable to awards will be deemed to have been satisfied to the target level of performance specified in connection with the applicable award.

Table of Contents

Payment for Awards

If and to the extent that outstanding awards under the Amended and Restated Equity Plan are not continued, assumed or replaced in connection with a change in control, then the Compensation Committee may terminate some or all of such outstanding awards, in whole or in part, as of the effective time of the change in control in exchange for payments to the holders, as provided in the Amended and Restated Equity Plan. Any payment will be made in such form, on such terms and subject to such conditions as the Compensation Committee determines in its discretion, which may or may not be the same as the form, terms and conditions applicable to payments to Cott's shareowners in connection with the change in control, and may include subjecting such payments to vesting conditions comparable to those of the award surrendered.

Termination After a Change in Control

If and to the extent that awards are continued, assumed or replaced, and if within two years after the change in control a participant experiences an involuntary termination of employment or other service for reasons other than Cause, or terminates his or her employment or other service for Good Reason, then (i) outstanding options and stock appreciation rights issued to the participant that are not yet fully exercisable will immediately become exercisable in full and shall remain exercisable in accordance with their terms, (ii) all unvested restricted shares, restricted share units, performance shares and performance units will become immediately fully vested and non-forfeitable; and (iii) any performance objectives applicable to awards will be deemed to have been satisfied to the maximum degree specified in connection with the applicable award.

Impact of the Amended and Restated Equity Plan on Cott's Dilution or Overhang

Overhang is an analysis of potential dilution to shareowners from the equity being transferred to employees via equity incentive plans. Overhang is calculated by dividing (a) the number of outstanding awards under Cott's equity compensation plans plus the number of common shares available for future grant under Cott's equity compensation plans by (b) the number of shares described in clause (a) plus the total number of common shares outstanding. As of January 1, 2013, Cott's overhang was approximately 2.69%. After approval of the Amended and Restated Equity Plan, Cott estimates that its overhang will be approximately 10.03%.

Section 162(m) Exemption

Code Section 162(m) prevents a publicly held corporation from claiming income tax deductions for compensation in excess of \$1,000,000 paid to certain senior executives. Compensation is exempt from this limitation if it is qualified performance-based compensation. Stock options and stock appreciation rights are two examples of performance-based compensation. Other types of awards, such as restricted stock, deferred shares and performance shares, that are granted pursuant to pre-established objective performance formulas, may also qualify as performance-based compensation, so long as certain requirements are met, including the prior approval by shareowners of the performance formulas or measures.

Performance Objectives

The Amended and Restated Equity Plan provides that grants of performance shares, performance units or, when determined by the Compensation Committee, options, restricted shares, restricted share units or other stock-based awards may be made based upon performance objectives. For any awards that are intended to be exempt from the limitations of Code Section 162(m), performance objectives shall consist of one or more of the following: earnings before or after any one or more of interest, taxes, depreciation and amortization; adjusted earnings before interest, taxes, depreciation and amortization; operating income; net operating income after tax; adjusted operating income; pre-tax or after-tax income; cash flow; net earnings; earnings per share (basic or diluted); share price performance; return on assets; return on equity; return on invested capital; return on sales; tangible net asset growth; total shareowner return; return on investment; sales; growth in shareowner value relative to the moving average of S&P 500 Index or a peer group index; market share; cost reduction goals;

Table of Contents

economic value added; margins (including one or more of gross, operating and net income margins); strategic plan development and implementation; any such metric with respect to Cott or any of its subsidiaries. The Compensation Committee is authorized to make adjustments in the method of calculating attainment of performance objectives or in the terms and conditions of awards in recognition of unusual or nonrecurring events affecting Cott or its financial statements or changes in applicable laws, regulations or accounting principles; provided, however, that, if applicable, any such adjustments shall be made in a manner consistent with Code Section 162(m). For example, non-recurring losses or charges which are separately identified and quantified in Cott's audited financial statements and notes thereto including, but not limited to, extraordinary items, changes in tax laws, changes in generally accepted accounting principles, impact of discontinued operations, restructuring charges, acquisitions, asset impairment charges, intangible impairment charges, and restatement of prior period financial results, will be excluded from the calculation of performance results for purposes of the Amended and Restated Equity Plan.

Adjustments

In the event of any equity restructuring that causes the per share value of shares to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the Compensation Committee will make such adjustments as it deems equitable and appropriate to the aggregate number and kind of shares or other securities issued or reserved for issuance under the plan, the number and kind of shares or other securities subject to outstanding awards, the exercise price of outstanding options and stock appreciation rights, and any maximum limitations prescribed by the plan with respect to certain types of awards or the grants to individuals of certain types of awards. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of Cott, the above mentioned adjustments may be made as determined to be appropriate and equitable by the Compensation Committee to prevent dilution or enlargement of rights of participants.

Transferability of Awards Made Under the Amended and Restated Equity Plan

No award granted under the Amended and Restated Equity Plan may be transferred or assigned other than by will or the laws of descent and distribution for normal estate settlement purposes, and stock options and stock appreciation rights may be exercised during the participant's lifetime only by the participant or, in the event of the participant's legal incapacity, by the guardian or legal representative acting in a fiduciary capacity on behalf of the participant under state law.

Termination of the Amended and Restated Equity Plan

The Amended and Restated Equity Plan will terminate on the tenth anniversary of the date that the plan is adopted by the board of directors, and no awards will be granted under the Amended and Restated Equity Plan after that date. Termination of the Amended and Restated Equity Plan will not affect any participant's rights under any then outstanding award without the written consent of such participant.

Amendment of the Amended and Restated Equity Plan

The Amended and Restated Equity Plan may be amended by the board of directors, but without further approval by the shareowners of Cott no such amendment may increase the limitations on the number of shares that may be issued under the Amended and Restated Equity Plan, the limitations on the amount of awards to individual participants, or the limitations on the value of vested awards to individual participants. In addition, no such amendment may modify the re-pricing prohibition set forth in the plan. The board may condition any amendment on the approval of the shareowners if such approval is necessary or deemed advisable with respect to the applicable listing or other requirements of an applicable securities exchange or other applicable laws, policies or regulations. Shareowner approval will be required in the case of any reduction in the exercise price or extension of the term of an award benefiting an insider of Cott. The following amendments may be made without

Table of Contents

the approval of Cott's shareowners: (1) amendments of a housekeeping nature; (2) a change to vesting provisions; (3) a change to employment termination provisions that does not entail an extension beyond the original expiry date; and (4) any other amendment that does not require shareowner approval pursuant to the rules of any applicable securities exchange.

United States Federal Income Tax Consequences

The following is a brief summary of certain of the United States federal income tax consequences of certain transactions under the Amended and Restated Equity Plan. This summary is not intended to be exhaustive and does not describe state or local tax consequences.

In general, an optionee will not recognize income at the time a nonqualified stock option is granted. At the time of exercise, the optionee will recognize ordinary income in an amount equal to the difference between the exercise price paid for the shares and the fair market value of the shares on the date of exercise. At the time of sale of shares acquired pursuant to the exercise of a nonqualified stock option, any appreciation (or depreciation) in the value of the shares after the date of exercise generally will be treated as capital gain (or loss).

An optionee generally will not recognize income upon the grant or exercise of an incentive stock option. If shares issued to an optionee upon the exercise of an incentive stock option are not disposed of in a disqualifying disposition within two years after the date of grant or within one year after the transfer of the shares to the optionee, then upon the sale of the shares any amount realized in excess of the exercise price generally will be taxed to the optionee as long-term capital gain and any loss sustained will be a long-term capital loss. If shares acquired upon the exercise of an incentive stock option are disposed of prior to the expiration of either holding period described above, the optionee generally will recognize ordinary income in the year of disposition in an amount equal to any excess of the fair market value of the shares at the time of exercise (or, if less, the amount realized on the disposition of the shares) over the exercise price paid for the shares. Any further gain (or loss) realized by the optionee generally will be taxed as short-term or long-term capital gain (or loss) depending on the holding period.

Subject to certain exceptions for death or disability, if an optionee exercises an incentive stock option more than three months after termination of employment, the exercise of the option will be taxed as the exercise of a nonqualified stock option. In addition, if an optionee is subject to federal alternative minimum tax, the exercise of an incentive stock option will be treated essentially the same as a nonqualified stock option for purposes of the alternative minimum tax.

A recipient of restricted shares generally will be subject to tax at ordinary income rates on the fair market value of the restricted stock (reduced by any amount paid by the recipient) at such time as the shares are no longer subject to a risk of forfeiture or restrictions on transfer for purposes of Code Section 83. However, a recipient who so elects under Code Section 83(b) within 30 days of the date of transfer of the restricted shares will recognize ordinary income on the date of transfer of the shares equal to the excess of the fair market value of the restricted stock (determined without regard to the risk of forfeiture or restrictions on transfer) over any purchase price paid for the shares. If a Section 83(b) election has not been made, any dividends received with respect to restricted stock that are subject at that time to a risk of forfeiture or restrictions on transfer generally will be treated as compensation that is taxable as ordinary income to the recipient.

A participant generally will not recognize income upon the grant of performance shares or performance units. Upon payment, with respect to performance shares or performance units, the participant generally will recognize as ordinary income an amount equal to the amount of cash received and the fair market value of any unrestricted stock received.

To the extent that a participant recognizes ordinary income in the circumstances described above, Cott or the subsidiary for which the participant performs services will be entitled to a corresponding deduction, provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an excess parachute payment within the meaning of Code Section 280G and is not disallowed by the \$1,000,000 limitation on certain executive compensation under Code Section 162(m).

Table of Contents

Awards of stock appreciation rights, performance shares and performance units under the Amended and Restated Equity Plan may, in some cases, result in the deferral of compensation that is subject to the requirements of Code Section 409A. To date, the U.S. Treasury Department and Internal Revenue Service have issued only preliminary guidance regarding the impact of Code Section 409A on the taxation of these types of awards. Generally, to the extent that deferrals of these awards fail to meet certain requirements under Code Section 409A, such awards will be subject to immediate taxation and tax penalties in the year they vest unless the requirements of Code Section 409A are satisfied. It is the intent of Cott that awards under the Amended and Restated Equity Plan will be structured and administered in a manner that complies with the requirements of Code Section 409A.

Failure to Adopt Resolution

If the resolution set out at Appendix A is not adopted, Cott may continue to make grants under the 2010 Equity Incentive Plan in accordance with the terms of such plan.

The board of directors and management recommend that you vote FOR the resolution adopting the Amended and Restated Equity Plan. A majority of the votes cast must be in favor of the resolution adopting the Amended and Restated Equity Plan, which is set out at Appendix A on page A-1, in order for it to be approved. Unless a proxy specifies that the shares it represents should abstain from voting or vote against the resolution set out in Appendix A, the persons named in the enclosed proxy intend to vote in favor of the resolution. The full text of the Amended and Restated Equity Plan is attached at Appendix B at page B-1 of this proxy circular. The foregoing discussion of the Amended and Restated Equity Plan is qualified in its entirety by reference to the Amended and Restated Equity Plan at Appendix B.

Table of Contents

ADDITIONAL INFORMATION

Information about Cott

Upon request to our Secretary you may obtain a copy of our Annual Report on Form 10-K for the fiscal year ended December 29, 2012, our 2012 audited financial statements, and additional copies of this document. Copies of these documents may also be obtained on our website at www.cott.com, on the SEDAR website maintained by the Canadian securities regulators at www.sedar.com and on the EDGAR website maintained by the SEC at www.sec.gov.

In addition, we have made available on our website our Code of Business Conduct and Ethics and our Corporate Governance Guidelines, as well as the charters of each of our Compensation Committee, Corporate Governance Committee and Audit Committee. Copies of any of these documents are available in print to any shareowner upon request to our Secretary.

Important Notice Regarding Availability of Proxy Materials for the Annual and Special Meeting of Shareowners to be held on April 30, 2013:

The Notice of Annual and Special Meeting, Proxy Circular and our 2012 Annual Report on Form 10-K are available electronically at <http://www.cott.com/for-investors/financial-information>.

Householding

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy circulars and annual reports. This means that only one copy of our proxy circular or annual report may have been sent to multiple shareowners in your household. We will promptly deliver a separate copy of either document to you if you request one by writing or calling as follows: Cott Corporation, 5519 West Idlewild Avenue, Tampa, Florida, U.S.A. 33634, Attention: Investor Relations Department; telephone number (813) 313-1786. If you want to receive separate copies of the annual report and proxy circular in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and phone number.

Approval

Cott's board of directors has approved the contents and sending of this proxy circular.

MARNI MORGAN POE
Vice President, General Counsel and

Secretary

March 28, 2013

Table of Contents

APPENDIX A

RESOLUTION APPROVING AMENDED AND RESTATED

COTT CORPORATION EQUITY INCENTIVE PLAN

BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREOWNERS THAT:

1. the Amended and Restated Cott Corporation Equity Incentive Plan which, among other things, increases the maximum number of shares issuable thereunder from 4,000,000 to 12,000,000, and otherwise is as described in the proxy circular dated March 28, 2013 for Cott Corporation's annual and special meeting of shareowners to be held on April 30, 2013, under the heading "Approval of Amended and Restated Cott Corporation Equity Incentive Plan" be and the same is hereby authorized and approved; and
2. any officer or director of Cott Corporation be and is hereby authorized and directed, for and on behalf of Cott Corporation, to execute and deliver all such documents and to do all such acts and things as he or she may determine necessary or desirable in order to carry out the foregoing provisions of this resolution, the execution of any such document or the doing of any such acts and things being conclusive evidence of such determination.

A-1

Table of Contents

APPENDIX B

AMENDED AND RESTATED

COTT CORPORATION EQUITY INCENTIVE PLAN

1. **Purpose.** The purposes of the Amended and Restated Cott Corporation Equity Incentive Plan (the Plan) are to foster and promote the long-term financial success of the Company and its Subsidiaries and materially increase the value of the Company and/or its Subsidiaries by (i) encouraging the long-term commitment of key Employees and Nonemployee Directors (as such terms are defined below), (ii) motivating the performance of key Employees and Nonemployee Directors by means of long-term performance-related incentives, (iii) attracting and retaining outstanding key Employees and Nonemployee Directors by providing incentive compensation opportunities, and (iv) enabling participation by key Employees and Nonemployee Directors in the long-term growth and financial success of the Company.

2. **Amendment and Restatement; Effective Date.** The Cott Corporation 2010 Equity Incentive Plan was adopted by the Board on March 15, 2010, was amended on May 4, 2010, and was approved by Cott's shareholders on May 4, 2010 (as so amended prior to the date hereof, the Original Plan). This Amended and Restated Cott Corporation Equity Incentive Plan was adopted by the Board on February 14, 2013 and, upon approval by the Company's shareholders, will become effective and will amend and restate the Original Plan in its entirety.

3. **Definitions.** As used in this Plan, the following terms shall be defined as set forth below:
 - (a) **Award** means any Option, Stock Appreciation Right, Restricted Shares, Restricted Share Units, Performance Shares, Performance Units, or Stock Payments granted under the Plan.

 - (b) **Award Agreement** means an agreement, certificate, resolution or other form of writing (including in electronic medium) approved by the Committee which sets forth the terms and conditions of an Award.

 - (c) **Base Price** means the price to be used as the basis for determining the Spread upon the exercise of a Stock Appreciation Right.

 - (d) **Board** means the Board of Directors of the Company.

 - (e) **Cause** means any action by the Grantee or inaction by the Grantee that constitutes:
 - (1) A wilful failure to properly carry out the Grantee's duties and responsibilities or to adhere to the policies of the Company or a Subsidiary;

 - (2) Theft, fraud, dishonesty or misappropriation, or the gross negligence or wilful misconduct, involving the property, business or affairs of the Company or a Subsidiary, or in the carrying out of the Grantee's duties, including, without limitation, any breach of the representations, warranties and covenants contained in any employment agreement between the Grantee and the Company or a Subsidiary;

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- (3) Conviction of or plea of guilty to a criminal offense that involves fraud, dishonesty, theft or violence;
 - (4) Breach of a fiduciary duty owed to the Company or a Subsidiary;
 - (5) Refusal to follow the lawful written reasonable and good faith direction of the Board; or
 - (6) Any other action that constitutes cause for termination of the Grantee's employment with the Company or a Subsidiary under any other agreement to which the Grantee is a party or under applicable law.
- (f) **Change in Control** means:
- (1) the consummation of a consolidation, merger, amalgamation or other similar corporate reorganization of the Company with or into any other corporation whereby the voting shareholders of the Company immediately prior to such event receive less than 50% of the voting shares of the

B-1

Table of Contents

consolidated, merged or amalgamated corporation, or any acquisition or similar transaction or series of transactions whereby any person, as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the Exchange Act) (other than the Company, any entity controlled by the Company, or any employee benefit plan sponsored by the Company or an entity that is controlled by the Company), is or becomes, including pursuant to a tender or exchange offer for Shares, the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities;

- (2) the consummation of a sale by the Company of all or substantially all of the Company's assets;
- (3) the date upon which individuals who, on the effective date of this Plan constitute the Board (the Incumbent Directors) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the effective date of this Plan whose appointment, election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors who remain on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall also be deemed to be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director; or
- (4) a proposal by or with respect to the Company being made in connection with a liquidation, dissolution or winding-up of the Company.

(g) **Code** means the United States Internal Revenue Code of 1986, as amended from time to time.

(h) **Committee** means the Human Resources and Compensation Committee of the Board.

(i) **Company** means Cott Corporation, a corporation amalgamated under the laws of Canada.

(j) **Date of Termination or Termination** means (i) the date of termination of a Grantee's active employment or service with the Company or a Subsidiary (other than in connection with the Grantee's transfer to or from employment with a Subsidiary), but not including a Grantee's absence from active employment or service during a period (not exceeding 90 days) of vacation, temporary illness, authorized leave of absence or short or long-term disability, (ii) in the case of a Grantee who does not return to active employment or service with the Company or a Subsidiary immediately following a period of absence exceeding 90 days due to vacation, temporary illness, authorized leave of absence or short or long-term disability, the last day of such period of absence, or (iii) if applicable, the date of termination of a Grantee's active employment or service with the Company or a Subsidiary as defined under any other agreement to which the Grantee is a party. Unless otherwise determined by the Board or Committee, for the purposes of this Plan and all matters relating to the Awards, the Date of Termination or Termination shall be determined without regard to any applicable notice of termination, severance or termination pay, damages, or any claim thereto (whether express, implied, contractual, statutory, or at common law).

(k) **Employee** means a full-time, part-time or contract employee of the Company or a Subsidiary.

(l) **Fair Market Value** means, with respect to a Share on any determination date, the closing price of the Shares on the New York Stock Exchange on the last trading day on which Shares traded prior to such date; provided that if no Shares traded in the five trading days prior to the determination date, the Committee shall determine Fair Market Value on a reasonable basis using a method that complies

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with Code Section 409A and guidance issued thereunder.

(m) **Good Reason** shall mean any of the following:

(1) A material diminution in the Grantee's title or duties or assignment to the Grantee of materially inconsistent duties;

B-2

Table of Contents

- (2) A reduction in the Grantee's then-current annual base salary or target bonus opportunity as a percentage of annual base salary, unless such reduction in target bonus opportunity is made applicable to all other Grantees serving in substantially the same capacity;
 - (3) Relocation of the Grantee's principal place of employment to a location that is more than 50 miles away from the Grantee's principal place of employment on the Grantee's date of hire, unless such relocation is effected at the Grantee's request or with the Grantee's approval;
 - (4) A material breach by the Company or a Subsidiary of any provisions of any employment agreement to which the Grantee and the Company or Subsidiary are parties, after written notice by the Grantee of the breach and such failure remaining uncorrected following an opportunity for the Company or Subsidiary to correct such failure within 10 days of the receipt of such notice;
 - (5) The failure of the Company or Subsidiary to obtain the assumption in writing of an employment agreement to which the Grantee and the Company or Subsidiary are parties by any successor to all or substantially all of the business or assets of the Company or Subsidiary within 15 days after a merger, consolidation, sale or similar transaction; or
 - (6) Any other action that constitutes good reason for resignation or termination from or of the Grantee's employment with the Company or Subsidiary under any other agreement to which the Grantee is a party or under applicable law.
- (n) **Grant Date** means the date specified by the Committee on which a grant of an Award shall become effective, which shall not be earlier than the date on which the Committee takes action with respect thereto.
- (o) **Grantee** means an Employee or Nonemployee Director who has been selected by the Committee to receive an Award and to whom an Award has been granted.
- (p) **Incentive Stock Option** means any Option that is intended to qualify as an incentive stock option under Code Section 422 or any successor provision.
- (q) **Nonemployee Director** means a member of the Board who is not an Employee.
- (r) **Nonqualified Stock Option** means an Option that is not intended to qualify as an Incentive Stock Option.
- (s) **Option** means any option to purchase Shares granted under Section 6 of the Plan.
- (t) **Option Price** means the purchase price payable upon the exercise of an Option.
- (u) **Performance Objectives** means the performance objectives established pursuant to this Plan for Grantees who have received Awards. Performance Objectives may be described in terms of Company-wide objectives or objectives that are related to the performance of the individual Grantee or the Subsidiary, division, department or function within the Company or Subsidiary in which the Grantee is employed. Performance Objectives may be measured on an absolute or relative basis. Relative performance

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may be measured by a group of peer companies or by a financial market index. For any Qualified Performance-Based Award, Performance Objectives shall consist of one or a combination of two or more of the following:

- (1) earnings before or after any one or more of interest, taxes, depreciation and amortization;
- (2) adjusted earnings before interest, taxes, depreciation and amortization;
- (3) operating income;
- (4) net operating income after tax;
- (5) adjusted operating income
- (6) pre-tax or after-tax income;
- (7) cash flow;

B-3

Table of Contents

- (8) net earnings;
- (9) earnings per share (basic or diluted);
- (10) share price performance;
- (11) return on assets;
- (12) return on equity;
- (13) return on invested capital;
- (14) return on sales;
- (15) tangible net asset growth;
- (16) total shareholder return;
- (17) return on investment;
- (18) sales;
- (19) growth in shareowner value relative to the moving average of the S&P 500 Index or a peer group index;
- (20) market share;
- (21) cost reduction goals;
- (22) economic value added;
- (23) margins (including one or more of gross, operating and net income margins);
- (24) strategic plan development and implementation;

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(25) any such metric with respect to the Company or any Subsidiary.

The Committee shall be authorized to make adjustments in the method of calculating attainment of Performance Objectives or in the terms and conditions of Awards in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in applicable laws, regulations or accounting principles; provided, however, that, if applicable, any such adjustments shall be made in a manner consistent with Code Section 162(m).

- (v) **Performance Period** means a period of time established under Section 9 of the Plan within which the Performance Objectives relating to a Performance Share, Performance Unit, Restricted Share or Restricted Share Unit are to be achieved.
- (w) **Performance Share** means a bookkeeping entry that records the equivalent of one Share awarded pursuant to Section 9 of the Plan.
- (x) **Performance Unit** means a bookkeeping entry that records a unit equivalent to \$1.00 awarded pursuant to Section 9 of the Plan.
- (y) **Qualified Performance-Based Award** means an Award or portion of an Award that is intended to satisfy the requirements for qualified performance-based compensation under Code Section 162(m). The Committee shall designate any Qualified Performance-Based Award as such at the time of grant. If the Committee designates an Award as a Qualified Performance-Based Award, then the lapsing of restrictions thereon and the distribution of Shares pursuant thereto, as applicable, shall be subject to satisfaction of one, or more than one, Performance Objectives. The Committee shall determine the performance targets that will be applied with respect to each Qualified Performance-Based Award at the time of grant, but in no event later than 90 days after the commencement of the period of service to which the performance target(s) relate. Notwithstanding any contrary provision of the Plan, the Committee may not increase the number of Shares granted pursuant to any Qualified Performance-

B-4

Table of Contents

Based Award, nor may it waive the achievement of any performance target established pursuant to this Section 2(y). Prior to the payment of any Qualified Performance-Based Award, the Committee shall certify in writing that the performance target(s) applicable to such Award was met. The Committee shall have the power to impose such other restrictions on Qualified Performance-Based Awards as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for performance-based compensation within the meaning of Code Section 162(m), the regulations promulgated thereunder, and any successors thereto.

- (z) **Restricted Shares** mean Shares granted under Section 8 of the Plan.
- (aa) **Restricted Share Unit** means an Award granted under Section 8 of the Plan and denominated in units representing rights to receive Shares.
- (bb) **Retirement** means retirement from office or employment with the Company or a Subsidiary at the election of the Grantee and as agreed to by the Company or applicable Subsidiary, in its sole discretion.
- (cc) **Shares** means the common shares in the capital of the Company, or any security into which Shares may be converted by reason of any transaction or event of the type referred to in Section 13 of the Plan.
- (dd) **Spread** means, in the case of a Stock Appreciation Right, the amount by which the Fair Market Value per Share on the date when any such right is exercised exceeds the Base Price specified in such right.
- (ee) **Stock Appreciation Right** means a right granted under Section 7 of the Plan.
- (ff) **Stock Payment** means Shares granted under Section 10 of the Plan.
- (gg) **Subsidiary** means a corporation or other entity that controls or is controlled by the Company or that is controlled by the same person that controls the Company within the meaning of National Instrument 45-106, provided that for purposes of determining whether any person may be a Grantee for purposes of any grant of Incentive Stock Options, **Subsidiary** means any corporation (within the meaning of the Code) in which the Company owns or controls directly or indirectly more than 50% of the total combined voting power represented by all classes of stock issued by such corporation at the time of such grant.
- (hh) **Tax Act** means the Income Tax Act (Canada) and all regulations thereunder, as amended or restated from time to time. Any reference in the Agreement to a provision of the Tax Act includes any successor provision thereto.

4. **Shares Available Under the Plan.**

- (a) **Reserved Shares.** Subject to adjustment as provided in Section 13 of the Plan, the maximum number of Shares that may be issued from treasury with respect to Awards shall not in the aggregate exceed 12,000,000 Shares. The Shares issued by the Company hereunder may at the Company's option be either (i) evidenced by a certificate registered in the name of the Grantee or his or her designee; or (ii) credited to a book-entry account for the benefit of the Grantee maintained by the Company's stock transfer agent or its designee.

Shares that are issued under the Plan or that are potentially issuable pursuant to outstanding Awards will be applied to reduce that maximum number of Shares remaining available for issuance under the Plan; provided, however, that the total number of Shares remaining available for issuance under the Plan shall be reduced 2.0 Shares for each Share issued pursuant to an Award other than an Option or Stock Appreciation

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Right (each such other Award being referred to herein as a full-value Award). Any Shares subject to an Award that, at any time, lapses, is forfeited or cancelled, expires, or for any reason is terminated unexercised or unvested, or is settled or paid in cash or any form other than Shares shall not count towards the maximum number of Shares that may be issued under the Plan as set forth in this Section 4 and shall be available for future Awards, with each Share made available for Awards under this provision in connection with the lapse, forfeiture, cancellation, termination or cash

B-5

Table of Contents

settlement of full-value Awards increasing the number of Shares available for reissuance by 2.0 Shares. Similarly, any Shares that are withheld by the Company, or any previously-acquired shares that are tendered (either actually or by attestation), in either case to satisfy any tax withholding obligation with respect to a full-value Award shall not count towards the maximum number of Shares that may be issued under the Plan as set forth in this Section 4 and shall be available for future Awards, with each Share made available for Awards under this provision increasing the number of Shares available for reissuance by 2.0 Shares. Notwithstanding anything to the contrary in this Section 4(a), the following Shares shall not again become available for issuance under the Plan: (i) any and all Shares awarded as part of an Option or Stock Appreciation Right that are withheld by the Company to satisfy any tax withholding obligation, and any previously-acquired Shares tendered (actually or by attestation) in payment of any taxes relating to an Option or Stock Appreciation Right; (ii) Shares that would have been issued upon exercise of an Option but for the fact that the exercise was pursuant to a net exercise arrangement or by any previously-acquired shares tendered in payment of such Exercise Price; (iii) Shares covered by a Stock Appreciation Right that are not issued in connection with the stock settlement of the Stock Appreciation Right upon its exercise; and (iv) Shares that are repurchased by the Company using Option exercise proceeds or otherwise.

- (b) **Incentive Stock Option Maximum.** In no event shall the number of Shares issued from treasury or otherwise upon the exercise of Incentive Stock Options exceed 12,000,000 Shares, subject to adjustment as provided in Section 13 of the Plan.
 - (c) **Maximum Calendar Year Award.** No Grantee may receive Awards representing more than 2,000,000 Shares in any one calendar year, subject to adjustment as provided in Section 13 of the Plan. In addition, the maximum amount that may become vested under any cash-denominated Award during any one calendar year is \$5,000,000.
 - (d) **Certain Additional Limits.** The number of Shares issuable to insiders of the Company (as defined in Part I of the Toronto Stock Exchange Company Manual) at any time, and the number of Shares issued to insiders of the Company within any one year period, under this Plan or when combined with all of the Company's other security based compensation arrangements (as described in the Toronto Stock Company Manual), shall not exceed 10% of the issued and outstanding Shares, respectively. In addition, neither the Board nor the Committee may, without further shareholder approval, grant to Nonemployee Directors an amount equal to the lesser of (i) 1% of the Company's issued and outstanding Shares; and (ii) an annual equity award of \$200,000 per Nonemployee Director. Notwithstanding Section 16(a) of the Plan, the aforementioned restriction may not be amended without further shareholder approval.
5. **Plan Administration.** This Plan shall be administered by the Committee or any other Board committee as may be designated by the Board from time to time.
- (a) In accordance with and subject to the provisions of the Plan, the Committee will have the authority to determine all provisions of Awards as the Committee may deem necessary or desirable and as consistent with the terms of the Plan, including, without limitation, the following: (i) the individuals to be selected as Grantees; (ii) the nature and extent of the Awards to be made to each Grantee (including the number of Shares to be subject to each Award, any exercise price, the manner in which Awards will vest or become exercisable and whether Awards will be granted in tandem with other Awards) and the form of written or electronic agreement, if any, evidencing such Award; (iii) the time or times when Awards will be granted; (iv) the duration of each Award; and (v) the restrictions and other conditions to which the payment or vesting of Awards may be subject. In addition, the Committee will have the authority under the Plan in its sole discretion to (A) establish, amend or rescind rules to administer the Plan; (B) interpret the Plan and any Award or related agreement made under the Plan; (C) make all other determinations necessary or desirable for the administration of the Plan; and (D) pay the intrinsic value of any Award in the form of cash, Shares or any combination of both.

Table of Contents

- (b) Subject to Section (d) below, the Committee will have the authority under the Plan to amend or modify the terms of any outstanding Award in any manner, including, without limitation, the authority to modify the number of shares or other terms and conditions of an Award, accelerate the exercisability or vesting or otherwise terminate any restrictions relating to an Award, accept the surrender of any outstanding Award or, to the extent not previously exercised or vested, authorize the grant of new Awards in substitution for surrendered Awards; provided, however that (i) the amended or modified terms are permitted by the Plan as then in effect; (ii) any Grantee divested of his or her existing rights under the Plan with respect to previously-granted Awards by such amended or modified terms shall have consented to such amendment or modification unless such amendment is necessary to comply with applicable law or stock exchange rules; and (iii) the authority to accelerate the exercisability or vesting or otherwise terminate restrictions relating to an Award may be exercised only in connection with a Grantee's death, disability or Retirement, in connection with a Change in Control, or to the extent such actions involve an aggregate number of Shares not in excess of 5% of the number of Shares available for Awards at such time.
- (c) In the event of (i) any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, extraordinary dividend or divestiture (including a spin off) or any other change in corporate structure or shares; (ii) any purchase, acquisition, sale, disposition or write-down of a significant amount of assets or a significant business; (iii) any change in accounting principles or practices, tax laws or other such laws or provisions affecting reported results; (iv) any uninsured catastrophic losses or extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 or in management's discussion and analysis of financial performance appearing in the Company's annual report to shareholders for the applicable year; or (v) any other similar change, in each case with respect to the Company or any other entity whose performance is relevant to the grant or vesting of an Award, the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) may, without the consent of any affected Grantee, amend or modify the vesting criteria (including Performance Objectives and related performance goals) of any outstanding Award that is based in whole or in part on the financial performance of the Company (or any Subsidiary or division or other subunit thereof) or such other entity so as equitably to reflect such event, with the desired result that the criteria for evaluating such financial performance of the Company or such other entity will be substantially the same (in the sole discretion of the Committee or the board of directors of the surviving corporation) following such event as prior to such event; provided, however, that (A) the amended or modified terms are permitted by the Plan as then in effect and (B) with respect to any Award intended to qualify as a Qualified Performance-Based Award, any such amendment or modification would not result in such Award failing to qualify as performance-based compensation for purposes of Section 162(m) of the Code.
- (d) Notwithstanding any other provision of this Plan other than Section 13, the Committee may not, without prior approval of the Company's shareholders, seek to effect any re-pricing of any previously granted, underwater Option or Stock Appreciation Right by: (i) amending or modifying the terms of the Option or Stock Appreciation Right to lower the exercise price; (ii) canceling the underwater Option or Stock Appreciation Right and granting either (A) replacement Options or Stock Appreciation Rights having a lower exercise price; (B) Restricted Share Awards; or (C) Restricted Share Unit Awards or Performance Shares or Performance Units in exchange; or (iii) repurchasing the underwater Options or Stock Appreciation Rights for cancellation. For purposes of this Section, an Option or Stock Appreciation Right will be deemed to be underwater at any time when the Fair Market Value of a Share is less than the exercise price of the Option or Stock Appreciation Right. Notwithstanding any other provision of this Plan, neither the Board nor the Committee may, without prior approval of the Company's shareholders, extend the term of Awards that benefit non-insiders.
- (e) In addition to the authority of the Committee under Section (b) and notwithstanding any other provision of the Plan, the Committee may, in its sole discretion, amend the terms of the Plan or Awards

Table of Contents

with respect to Grantees resident outside of the United States or employed by a non-U.S. Subsidiary in order to comply with local legal requirements, to otherwise protect the Company's or Subsidiary's interests, or to meet objectives of the Plan, and may, where appropriate, establish one or more sub-plans (including the adoption of any required rules and regulations) for the purposes of qualifying for preferred tax treatment under foreign tax laws. The Committee shall have no authority, however, to take action pursuant to this Section: (i) to reserve shares or grant Awards in excess of the limitations provided in the Plan; (ii) to effect any repricing in violation of the Plan; (iii) to grant Options having an exercise price less than 100% of the Fair Market Value of one share of Common Stock on the date of grant in violation of the Plan; or (iv) for which stockholder approval would then be required pursuant to Section 422 of the Code or Section 162(m) of the Code or the rules of the New York Stock Exchange or the Toronto Stock Exchange.

- (f) Notwithstanding anything in this Plan to the contrary, the Committee will determine whether an Award is subject to the requirements of Code Section 409A and, if determined to be subject to Code Section 409A, the Committee will make such Award subject to such written terms and conditions determined necessary or desirable to cause such Award to comply in form with the requirements of Code Section 409A. Further, the Plan, as it relates to Awards that are subject to Code Section 409A, will be administered in a manner that is intended to comply with the requirements of Code Section 409A and any regulations or rulings issued thereunder.
6. **Options.** The Committee may from time to time authorize grants to Grantees of Options to purchase Shares upon such terms and conditions as the Committee may determine in accordance with the following provisions:
- (a) **Number of Shares.** Each grant shall specify the number of Shares to which it pertains.
- (b) **Option Price.** Each grant shall specify an Option Price per Share, which shall be equal to or greater than the Fair Market Value per Share on the Grant Date.
- (c) **Consideration.** Each grant shall specify the form of consideration to be paid in satisfaction of the Option Price and the manner of payment of such consideration, which may include (i) cash in the form of currency or check or other cash equivalent acceptable to the Company, (ii) nonforfeitable, unrestricted Shares owned by the Grantee at the time of exercise and which have a value at the time of exercise that is equal to the Option Price (including through a net exercise), (iii) any other legal consideration that the Committee may deem appropriate on such basis as the Committee may determine in accordance with this Plan, or (iv) any combination of the foregoing. In the case of a net exercise of an Option, the Company will not require a payment of the Option Price from the Grantee but will reduce the number of Shares issued upon the exercise by the largest number of whole Shares that has a Fair Market Value that does not exceed the aggregate Option Price for the Shares exercised under this method. Shares will no longer be outstanding under an Option (and will therefore not thereafter be exercisable) following the exercise of such Option to the extent of (i) Shares used to pay the Option Price of an Option under the net exercise, (ii) Shares actually delivered to the Grantee as a result of such exercise and (iii) any Shares withheld for purposes of tax withholding.
- (d) **Cashless Exercise.** To the extent permitted by applicable law, any grant may provide for deferred payment of the Option Price from the proceeds of sale of the Shares acquired on exercise of the Option through a broker-dealer to whom the Grantee has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale or loan proceeds sufficient to pay the Option Price, together with, if requested by the Company, the amount of federal, state, local or foreign withholding taxes payable by the Grantee by reason of such exercise, or through simultaneous sale through a broker of Shares acquired upon exercise.
- (e) **Performance-Based Options.** Any grant of an Option may specify Performance Objectives that must be achieved as a condition to exercise of the Option.

Table of Contents

- (f) **Vesting.** Each Option grant may specify a period of continuous employment of the Grantee by the Company or any Subsidiary (or, in the case of a Nonemployee Director, service on the Board) that is necessary before the Options or installments thereof shall become exercisable.
 - (g) **Incentive Stock Option Dollar Limitation.** Options granted under this Plan may be Incentive Stock Options, Nonqualified Stock Options or a combination of the foregoing, provided that only Nonqualified Stock Options may be granted to Nonemployee Directors. Each grant shall specify whether (or the extent to which) the Option is an Incentive Stock Option or a Nonqualified Stock Option. Notwithstanding any such designation, to the extent that the aggregate Fair Market Value of the Shares as of the Grant Date with respect to which Options designated as Incentive Stock Options are exercisable for the first time by a Grantee during any calendar year (under all plans of the Company) exceeds \$100,000, such Options shall be treated as Nonqualified Stock Options.
 - (h) **Exercise Period.** No Option granted under this Plan may be exercised more than ten years from the Grant Date.
 - (i) **Award Agreement.** Each Option grant shall be evidenced by an Award Agreement containing such terms and provisions as the Committee may determine that are not inconsistent with this Plan.
7. **Stock Appreciation Rights.** The Committee may from time to time authorize grants to Grantees of Stock Appreciation Rights. A Stock Appreciation Right is the right of the Grantee to receive from the Company an amount equal to the Spread at the time of the exercise of such right. Any grant of Stock Appreciation Rights under this Plan shall be upon such terms and conditions as the Committee may determine in accordance with the following provisions:
- (a) **Payment in Shares or Cash.** Any grant may specify that the amount payable upon the exercise of a Stock Appreciation Right may be paid by the Company in cash, Shares valued at Fair Market Value on the date of exercise or any combination thereof at the discretion of the Committee at the time of payment.
 - (b) **Exercise Period.** Any grant may specify (i) a waiting period or periods before Stock Appreciation Rights shall become exercisable and (ii) permissible dates or periods on or during which Stock Appreciation Rights shall be exercisable. No Stock Appreciation Right granted under this Plan may be exercised more than ten years from the Grant Date.
 - (c) **Award Agreement.** Each grant shall be evidenced by an Award Agreement which shall describe the subject Stock Appreciation Rights, specify the Base Price (which shall be equal to or greater than the Fair Market Value on the Grant Date), state that the Stock Appreciation Rights are subject to all of the terms and conditions of this Plan and contain such other terms and provisions as the Committee may determine consistent with this Plan.
8. **Restricted Shares and Restricted Share Units.** The Committee may from time to time authorize grants to Grantees of Restricted Shares and Restricted Share Units upon such terms and conditions as the Committee may determine in accordance with the following provisions:
- (a) **Transfer of Shares.** Each grant of Restricted Shares shall constitute an immediate transfer of the ownership of Shares to the Grantee in consideration of the performance of services, subject to the substantial risk of forfeiture and restrictions on transfer hereinafter referred to. Upon expiration of the restriction period and satisfaction of any other terms or conditions (including, but not limited to, Performance Objectives) and as set forth in the Restricted Share Award Agreement, the Restricted Share shall immediately become vested and the Shares underlying such award of Restricted Share shall be released by the Company to the Grantee without restrictions on transfer. Restricted Share Units shall become payable to a Grantee in Shares at the time or times determined by the Committee and set forth in the Restricted Share Unit Award Agreement.

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- (b) **Consideration**. Each grant of Restricted Shares or Restricted Share Units may be made without a requirement for additional payment by the Grantee.

B-9

Table of Contents

- (c) **Substantial Risk of Forfeiture.** Each grant shall provide that the Restricted Shares or Restricted Share Units covered thereby shall be subject to a substantial risk of forfeiture within the meaning of Code Section 83 for a period to be determined by the Committee on the Grant Date, and any grant or sale may provide for the earlier termination of such risk of forfeiture in the event of a Change in Control of the Company or other similar transaction or event. If a Grantee ceases to be an Employee or a Non-Employee Director, the number of Shares subject to the Award, if any, to which the Grantee shall be entitled shall be determined in accordance with the Plan and the applicable Award Agreement. All remaining Shares underlying Restricted Shares or Restricted Share Units as to which restrictions apply at the Date of Termination shall be forfeited subject to such exceptions, if any, authorized by the Committee. Except as otherwise provided in this Section, Restricted Shares and Restricted Share Units that vest solely as a result of the passage of time and continued service by the Grantee shall be subject to a vesting period of not less than three (3) years from the date of grant of the applicable Award (but permitting pro rata vesting over such time); and (ii) Restricted Shares and Restricted Share Units whose vesting is subject to the achievement of specified performance objectives over a Performance Period shall be subject to a Performance Period of not less than one (1) year from the date of grant of the applicable Award. The minimum vesting periods specified in clauses (i) and (ii) of the preceding sentence shall not apply: (A) to Awards made in payment of earned performance-based Awards and other earned cash-based incentive compensation; (B) to a termination of employment due to death or Retirement; (C) upon a Change in Control; (D) to a substitute award that does not reduce the vesting period of the award being replaced; or (E) to Awards involving an aggregate number of Shares not in excess of 5% of the number of Shares available for Awards.
- (d) **Dividends, Voting and Other Ownership Rights.** Unless otherwise determined by the Committee, an Award of Restricted Shares shall entitle the Grantee to dividend, voting and other ownership rights during the period for which such substantial risk of forfeiture is to continue; provided however that unless otherwise determined by the Committee, the Award Agreement with respect to an Award of Restricted Shares that is conditioned on the attainment of performance goals shall provide that the Grantee shall not receive any dividends unless and until such time as the Restricted Shares becomes vested. Alternatively, an Award Agreement may require that any or all dividends or other distributions paid on the Restricted Shares during the period for which the substantial risk of forfeiture is to continue be automatically sequestered and reinvested in additional Shares, which may be subject to the same restrictions as the underlying Award or such other restrictions as the Committee may determine. Unless otherwise determined by the Committee, a Grantee shall not have any rights as a shareholder with respect to Shares underlying an Award of Restricted Share Units until such time, if any, as the underlying Shares are actually issued to the Grantee, which may, at the option of the Company be either (i) evidenced by delivery of a certificate registered in the name of the Grantee or his or her designee; or (ii) credited to a book-entry account for the benefit of the Grantee maintained by the Company's stock transfer agent or its designee. The Committee may provide in a Restricted Share Unit Award Agreement for the payment of dividend equivalents and distributions to the Grantee at such times as paid to shareholders generally or at the time of vesting or other payout of the Restricted Share Units, provided, however, if the payment or crediting of dividends or dividend equivalents is in respect of an Award that is subject to Code Section 409A, then the payment or crediting of such dividends or dividend equivalents shall conform to the requirements of Code Section 409A and such requirements shall be specified in writing.
- (e) **Performance-Based Restricted Shares and Restricted Share Units.** Any grant or the vesting thereof may be further conditioned upon the attainment of Performance Objectives established by the Committee in accordance with the applicable provisions of Section 9 of the Plan regarding Performance Shares and Performance Units.
- (f) **Award Agreements.** Each grant of Restricted Shares or Restricted Share Units shall be evidenced by an Award Agreement containing such terms and provisions as the Committee may determine consistent with this Plan. Unless otherwise directed by the Committee, all certificates representing Restricted

Table of Contents

Shares, together with a stock power that shall be endorsed in blank by the Grantee with respect to such Shares, shall be held in custody by the Company until all restrictions thereon lapse.

9. **Performance Shares and Performance Units.** The Committee may from time to time authorize grants of Performance Shares and Performance Units, which shall become payable to the Grantee upon the achievement of specified Performance Objectives, upon such terms and conditions as the Committee may determine in accordance with the following provisions:
- (a) **Number of Performance Shares or Units.** Each grant shall specify the number of Performance Shares or Performance Units to which it pertains, which may be subject to adjustment to reflect changes in compensation or other factors.
 - (b) **Performance Objectives and Performance Period.** Each grant shall specify the Performance Objectives that are to be achieved by the Grantee during a specified performance period.
 - (c) **Threshold Performance Objectives.** Each grant may specify in respect of the specified Performance Objectives a minimum acceptable level of achievement below which no payment will be made and may set forth a formula for determining the amount of any payment to be made if performance is at or above such minimum acceptable level but falls short of the maximum achievement of the specified Performance Objectives.
 - (d) **Payment of Performance Shares and Units.** Each grant shall specify the time and manner of payment of Performance Shares or Performance Units that shall have been earned, and any grant may specify that any such amount may be paid by the Company in cash, Shares or any combination thereof and may either grant to the Grantee or reserve to the Committee the right to elect among those alternatives.
 - (e) **Maximum Payment.** Any grant of Performance Shares may specify that the amount payable with respect thereto may not exceed a maximum specified by the Committee on the Grant Date. Any grant of Performance Units may specify that the amount payable, or the number of Shares issued, with respect thereto may not exceed maximums specified by the Committee on the Grant Date.
 - (f) **Dividend Equivalents.** Any grant of Performance Shares may provide for the payment to the Grantee of dividend equivalents thereon in cash or additional Shares, provided however that the Award Agreement shall provide that the Grantee shall not receive any dividends unless and until such time as the Performance Shares are earned and paid, and provided further that if the payment or crediting of dividends or dividend equivalents is in respect of an Award that is subject to Code Section 409A, then the payment or crediting of such dividends or dividend equivalents shall conform to the requirements of Code Section 409A and such requirements shall be specified in writing.
 - (g) **Adjustment of Performance Objectives.** If provided in the terms of the grant, the Committee may adjust Performance Objectives and the related minimum acceptable level of achievement if, in the sole judgment of the Committee, events or transactions have occurred after the Grant Date that are unrelated to the performance of the Grantee and result in distortion of the Performance Objectives or the related minimum acceptable level of achievement.
 - (h) **Substantial Risk of Forfeiture.** Each grant shall provide that the Performance Shares or Performance Units shall be subject to a substantial risk of forfeiture within the meaning of Code Section 83 for a period to be determined by the Committee on the Grant Date, and any grant may provide for the earlier termination of such risk of forfeiture in the event of a Change in Control of the Company or other similar transaction or event. If a Grantee ceases to be an Employee or a Non-Employee Director, the portion, if any, to which the Grantee shall be entitled shall be determined in accordance with the Plan and the applicable Award Agreement. All remaining portions as to which restrictions apply at the Date of Termination shall be forfeited subject to such exceptions, if any,

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authorized by the Committee.

- (i) **Award Agreement**. Each grant shall be evidenced by an Award Agreement which shall state that the Performance Shares or Performance Units are subject to all of the terms and conditions of this Plan and such other terms and provisions as the Committee may determine consistent with this Plan.

B-11

Table of Contents

10. **Stock Payments.** If not prohibited by applicable law, the Committee may from time to time issue unrestricted Shares to Grantees, in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine. A Stock Payment may be granted as, or in payment of, Nonemployee Director fees, bonuses (including without limitation any compensation that is intended to qualify as performance based compensation for purposes of Code Section 162(m)), or to provide incentives or recognize special achievements or contributions.

11. **Consequences of Termination.**

(a) **Options/Stock Appreciation Rights (Not Performance-Based).** Unless otherwise determined by the Committee, outstanding Options and/or Stock Appreciation Rights that are held by a Grantee (or the executors or administrators of such Grantee's estate, and any person or persons who acquire the right to exercise Options and/or Stock Appreciation Rights directly from the Grantee by bequest or inheritance) as of the Grantee's Date of Termination and are not subject to vesting conditions based upon the satisfaction of Performance Objectives shall be subject to the following clauses (1) and (2), as applicable, except that in all events, the period for exercise of Options and/or Stock Appreciation Rights shall end no later than the last day of the maximum term thereof established under Section 6(h) or 7(d), as applicable.

(1) In the case of a Grantee's death or a Grantee's Termination due to Retirement, or the Grantee's resignation with Good Reason, or the Grantee's Termination without Cause, (x) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have become vested prior to the Grantee's Date of Termination shall continue to be exercisable during the period ending on the three (3) year anniversary of the Date of Termination and (y) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have not become vested prior to the Grantee's Date of Termination shall become Vested and exercisable as of the later of the Date of Termination and the one year anniversary of the Effective Date of the Award thereof and thereafter shall continue to be exercisable for the remaining portion of the period ending on the three (3) year anniversary of the Date of Termination.

(2) In the case of a Grantee's Termination due to the Grantee's resignation voluntarily (other than upon Retirement or with Good Reason), (x) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have not become vested prior to the Date of Termination shall be forfeited and cancelled as of such Date of Termination and (y) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have become vested prior to the Grantee's Date of Termination shall continue to be exercisable during the 90 day period following such Date of Termination.

Options and/or Stock Appreciation Rights that are not exercised prior to the expiration of the exercise period following a Grantee's Date of Termination permitted under this Section 11(a) shall automatically expire on the last day of such period.

(b) **Options/Stock Appreciation Rights (Performance-Based).** Unless otherwise determined by the Committee, outstanding Options and/or Stock Appreciation Rights that are held by a Grantee (or the executors or administrators of such Grantee's estate, and any person or persons who acquire the right to exercise Options and/or Stock Appreciation Rights directly from the Grantee by bequest or inheritance) as of the Grantee's Date of Termination and are subject to vesting conditions based upon the satisfaction of Performance Objectives shall be subject to the following clauses (1) and (2), as applicable, except that in all events, the period for exercise of Options and/or Stock Appreciation Rights shall end no later than the last day of the maximum term thereof established under Section 6(h) or 7(d), as applicable.

(1) In the case of a Grantee's death or a Grantee's Termination due to Retirement, or the Grantee's resignation with Good Reason, or the Grantee's Termination without Cause, (x) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have become vested prior to the Grantee's Date of Termination shall continue to be exercisable during the period ending on the

Table of Contents

three (3) year anniversary of the Date of Termination and (y) any employment requirements under Section 6(f) and 7(b) shall not apply, in which case the number of Options and/or Stock Appreciation Rights that become vested on each subsequent applicable vesting date shall equal the pro rata number of Options and/or Stock Appreciation Rights that he or she would have earned on that vesting date had he or she been continuously employed through such date, as calculated by reference to the portion of the applicable Performance Period during which the Grantee was actually employed and thereafter shall continue to be exercisable for the remaining portion of the period ending on the three (3) year anniversary of the Date of Termination.

- (2) In the case of a Grantee's Termination due to the Grantee's resignation voluntarily (other than upon Retirement or with Good Reason), (x) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have not become vested prior to the Date of Termination shall be forfeited and cancelled as of such Date of Termination and (y) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have become vested prior to the Grantee's Date of Termination shall continue to be exercisable during the 90 day period following such Date of Termination.

Options and/or Stock Appreciation Rights that are not exercised prior to the expiration of the exercise period following a Grantee's Date of Termination permitted under this Section 11(b) shall automatically expire on the last day of such period.

- (c) **Restricted Shares, Restricted Share Units, Performance Shares and Performance Units.** Unless otherwise determined by the Committee, outstanding Restricted Shares, Restricted Share Units, Performance Shares and Performance Units of the Grantee (and the executors and administrators of such Grantee's estate, and any person or persons acquiring any interest directly from the Grantee by bequest or inheritance) as of the Grantee's Date of Termination shall be subject to the following clauses (1) and (2), as applicable.

- (1) In the case of a Grantee's death or a Grantee's Termination due to Retirement or Termination without Cause or resignation with Good Reason, any employment requirements of Section 8(c) and 9(i) and the applicable Award Agreement shall not apply, in which case the number of Restricted Shares, Restricted Share Units, Performance Shares and Performance Units to be deemed earned by such Grantee on each subsequent applicable vesting date shall equal the pro rata number of Restricted Shares, Restricted Share Units, Performance Shares and Performance Units that he or she would have earned on that vesting date had he or she been continuously employed through such date, as calculated by reference to the portion of the applicable Restriction Period or Performance Period during which the Grantee was actually employed.

- (2) In the event of a Grantee's Termination due to the Grantee's resignation voluntarily (other than upon Retirement or with Good Reason), all of the Grantee's unvested Restricted Shares, Restricted Share Units, Performance Shares and Performance Units will be forfeited immediately.

- (d) **Termination for Cause.** Notwithstanding any other provision hereof or in any instrument of grant, in the case of a Grantee's Termination for Cause, any and all then outstanding Awards (other than Stock Payments) granted to the Grantee, whether or not Vested, shall be immediately forfeited and cancelled, without any consideration therefore, as of the commencement of the day that notice of such termination is given.

12. **Nontransferability.** No Award granted under this Plan (including Options) shall be transferable or assignable by a Grantee other than by will or the laws of descent and distribution for normal estate settlement purposes, and Options and Stock Appreciation Rights shall be exercisable during a Grantee's lifetime only by the Grantee or, in the event of the Grantee's legal incapacity, by his guardian or legal representative acting in a fiduciary capacity on behalf of the Grantee under state law. Any attempt to transfer or assign an Award in violation of this Plan shall render such Award null and void.

13. **Adjustments.** In the event of any equity restructuring (within the meaning of FASB ASC Topic 718, Compensation-Stock Compensation) that causes the per share value of Shares to change, such as a stock

Table of Contents

dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the Committee shall make such adjustments as it deems equitable and appropriate to (i) the aggregate number and kind of Shares or other securities issued or reserved for issuance under the Plan, (ii) the number and kind of Shares or other securities subject to outstanding Awards, (iii) the Option Price of outstanding Options and Stock Appreciation Rights, and (iv) any maximum limitations prescribed by the Plan with respect to certain types of Awards or the grants to individuals of certain types of Awards. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) to prevent dilution or enlargement of rights of Grantees. In either case, any such adjustment shall be conclusive and binding for all purposes of the Plan. No adjustment shall be made pursuant to this Section 13 in connection with the conversion of any convertible securities of the Company, or in a manner that would cause Incentive Stock Options to violate Code Section 422(b) or cause an Award to be subject to adverse tax consequences under Code Section 409A.

14. **Fractional Shares.** The Company shall not be required to issue any fractional Shares pursuant to this Plan. The Committee may provide for the elimination of fractions or for the settlement thereof in cash.

15. **Withholding Taxes.** If, for any reason whatsoever, the Company or a Subsidiary becomes obligated to withhold and/or remit to any applicable tax authority (whether domestic or foreign) any amount in connection with this Plan in respect of a Grantee, then the Company or such Subsidiary shall make the necessary arrangements, as acceptable to the Company or such Subsidiary, in connection with the amount that must be withheld and/or remitted. At the discretion of the Committee, such arrangements may include relinquishment of a portion of such benefit.

16. **Amendments and Other Matters.**
 - (a) **Plan Amendments.** This Plan may be amended from time to time by the Board, but no such amendment shall increase any of the limitations specified in Section 4 of the Plan, other than to reflect an adjustment made in accordance with Section 13 of the Plan, or amend this Section 16(a), or modify the repricing prohibition in Section 5(d) of this Plan, without the further approval of the shareholders of the Company. The Board may condition any amendment on the approval of the shareholders of the Company if such approval is necessary or deemed advisable with respect to the applicable listing or other requirements of an applicable securities exchange or other applicable laws, policies or regulations. Shareholder approval will be required in the case of any reduction in the Option Price or extension of the term of an Award benefiting an insider of the Company. No amendment, alteration, suspension or termination of the Plan shall divest any Grantee of his or her existing rights under the Plan with respect to any Awards previously granted to such Grantee, unless mutually agreed otherwise between the Grantee and the Company, which agreement must be in writing and signed by the Grantee and the Company. Notwithstanding the foregoing, the following amendments may be made without the approval of shareholders of the Company:
 - (1) Amendments of a housekeeping nature;
 - (2) A change to vesting provisions;
 - (3) A change to employment termination provisions that does not entail an extension beyond the original expiry date; and
 - (4) Any other amendment that does not require shareholder approval pursuant to the rules of the Toronto Stock Exchange.
 - (b)

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No Employment Right. This Plan shall not confer upon any Grantee any right with respect to continuance of employment or other service with the Company or any Subsidiary and shall not interfere in any way with any right that the Company or any Subsidiary would otherwise have to terminate any Grantee's employment or other service at any time.

B-14

Table of Contents

- (c) **Tax Qualification.** To the extent that any provision of this Plan would prevent any Option that was intended to qualify under particular provisions of the Code from so qualifying, such provision of this Plan shall be null and void with respect to such Option, provided that such provision shall remain in effect with respect to other Options, and there shall be no further effect on any provision of this Plan.
- (d) **Change in Control.** Unless otherwise provided in an agreement evidencing an Award, the following provisions shall apply to outstanding Awards in the event of a Change in Control.
- (1) Continuation, Assumption or Replacement of Awards. In the event of a Change in Control, the surviving or successor entity (or its parent corporation) may continue, assume or replace Awards outstanding as of the date of the Change in Control (with such adjustments as may be required or permitted by the Plan), and such Awards or replacements therefore shall remain outstanding and be governed by their respective terms, subject to subsection (4) below. A surviving or successor entity may elect to continue, assume or replace only some Awards or portions of Awards. For purposes of this subsection (1), an Award shall be considered assumed or replaced if, in connection with the Change in Control and in a manner consistent with Sections 409A and 424 of the Code, either (i) the contractual obligations represented by the Award are expressly assumed by the surviving or successor entity (or its parent corporation) with appropriate adjustments to the number and type of securities subject to the Award and the exercise price thereof that preserves the intrinsic value of the Award existing at the time of the Change in Control, or (ii) the Grantee has received a comparable equity based award that preserves the intrinsic value of the Award existing at the time of the Change in Control and provides for a vesting or exercisability schedule that is the same as or more favorable to the Grantee.
 - (2) Acceleration of Awards. If and to the extent that outstanding Awards under the Plan are not continued, assumed or replaced in connection with a Change in Control, then (i) outstanding Options and Stock Appreciation Rights issued to the Grantee that are not yet fully exercisable shall immediately become exercisable in full and shall remain exercisable in accordance with their terms, (ii) all unvested Restricted Shares, Restricted Share Units, Performance Shares and Performance Units will become immediately fully vested and non-forfeitable; and (iii) any performance objectives applicable to Awards will be deemed to have been satisfied at the target level of performance specified in connection with the applicable Award.
 - (3) Payment for Awards. If and to the extent that outstanding Awards under the Plan are not continued, assumed or replaced in connection with a Change in Control, then the Committee may terminate some or all of such outstanding Awards, in whole or in part, as of the effective time of the Change in Control in exchange for payments to the holders as provided in this subsection (3). The Committee will not be required to treat all Awards similarly for purposes of this Section (3). The payment for any Award or portion thereof terminated shall be in an amount equal to the excess, if any, of (i) the fair market value (as determined in good faith by the Committee) of the consideration that would otherwise be received in the Change in Control for the number of Shares subject to the Award or portion thereof being terminated, or, if no consideration is to be received by the Company's shareholders in the Change in Control, the Fair Market Value of such number of shares immediately prior to the effective date of the Change in Control, over (ii) the aggregate exercise price (if any) for the Shares subject to the Award or portion thereof being terminated. If there is no excess, the Award may be terminated without payment. Any payment shall be made in such form, on such terms and subject to such conditions as the Committee determines in its discretion, which may or may not be the same as the form, terms and conditions applicable to payments to the Company's shareholders in connection with the Change in Control, and may include subjecting such payments to vesting conditions comparable to those of the Award surrendered.
 - (4) Termination After a Change in Control. If and to the extent that Awards are continued, assumed or replaced under the circumstances described in subsection (1), and if within two years after the

Table of Contents

Change in Control a Grantee experiences an involuntary termination of employment or other service for reasons other than Cause, or terminates his or her employment or other service for Good Reason, then (i) outstanding Options and Stock Appreciation Rights issued to the Grantee that are not yet fully exercisable shall immediately become exercisable in full and shall remain exercisable in accordance with their terms, (ii) all unvested Restricted Shares, Restricted Share Units, Performance Shares and Performance Units will become immediately fully vested and non forfeitable; and (iii) any performance objectives applicable to Awards will be deemed to have been satisfied to the maximum degree specified in connection with the applicable Award.

- (e) **Foreign Grantees.** In order to facilitate the making of any grant or combination of grants under this Plan, the Committee may provide for such special terms for Awards as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of this Plan as in effect for any other purpose, provided that no such supplements, amendments, restatements or alternative versions shall include any provisions that are inconsistent with the terms of this Plan, as then in effect, unless this Plan could have been amended to eliminate such inconsistency without further approval by the shareholders of the Company.
17. **Currency.** Dollar amounts set forth in the Plan are expressed in U.S. dollars.
18. **Termination.** This Plan shall terminate on the tenth anniversary of the date on which this amendment and restatement is adopted by the Board, and no Award shall be granted after that date.
19. **Compliance with Applicable Laws.** The granting of Awards and the issuance, purchase, and delivery of Shares shall be carried out in compliance with applicable law, including, without limitation, the rules, regulations and by laws of the Toronto Stock Exchange, the New York Stock Exchange, the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations (including Rule 10b-5) promulgated thereunder, and the policies and regulations of applicable securities regulatory authorities. If the Committee determines in its discretion that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with the granting of an Award or the issuance or purchase or delivery of Shares under this Plan, no Award may be granted and no Shares may be issued, purchased, or delivered unless that action shall have been completed in a manner satisfactory to the Committee. It is intended that the Plan and all Awards hereunder be administered in a manner that will comply with Code Section 409A, including the final regulations and other guidance issued by the United States Secretary of the Treasury and the Internal Revenue Service with respect thereto. The Committee is authorized to adopt rules or regulations deemed necessary or appropriate to qualify for an exception from or to comply with the requirements of Section 409A of the Code (including any transition or grandfather rules relating thereto). Notwithstanding anything in this Section to the contrary, with respect to any Award subject to Section 409A of the Code, no amendment to or payment under such Award will be made unless permitted under Section 409A of the Code and the regulations or rulings issued thereunder. Without limiting the generality of the foregoing, if any amount shall be payable with respect to any Award hereunder as a result of a Grantee's separation from service at such time as the Grantee is a specified employee (as those terms are defined for purposes of Section 409A of the Code) and such amount is subject to the provisions of Section 409A of the Code, then no payment shall be made, except as permitted under Section 409A of the Code, prior to the first day of the seventh calendar month beginning after the Grantee's separation from service (or the date of his or her earlier death). The Company may adopt a specified employee policy that will apply to identify the specified employees for all deferred compensation plans subject to Section 409A of the Code; otherwise, specified employees will be identified using the default standards contained in the regulations under Section 409A of the Code.
20. **Governing Law.** The Plan and any Award Agreements and any and all determinations made and actions taken in connection with the Plan and Award Agreements, shall be governed by and construed in accordance with the laws of the State of Florida and the laws of the United States applicable therein.

Table of Contents

21. **Prior Option Plan**. The Company's Restated 1986 Common Share Option Plan, as amended, (the **Prior Option Plan**) was terminated by the Board effective February 23, 2011. Outstanding awards made under the Prior Option Plan will continue in accordance with their terms until exercised, forfeited or terminated, as applicable, and are unaffected by the amendment and restatement of the Original Plan.

B-17

Table of Contents

APPENDIX C

COTT CORPORATION (the Corporation)

MANDATE OF THE BOARD OF DIRECTORS

Purpose:

The purpose of this mandate is to set out the responsibilities of the Board of Directors of the Corporation. The Board of Directors is committed to fulfilling its statutory mandate to supervise the management of the business and affairs of the Corporation with the highest standards of ethical conduct and in the best interests of the Corporation. The Board of Directors approves the strategic direction of the Corporation and oversees the performance of the Corporation's business and management. The management of the Corporation is responsible for presenting strategic plans to the Board of Directors for review and approval and for implementing the Corporation's strategic direction.

This mandate should be read in conjunction with the Corporate Governance Guidelines of the Corporation which set out additional responsibilities of the Board of Directors and contain guidelines pertaining to, *inter alia*, board size, selection, expectations, committees and meetings.

Responsibilities:

1. To the extent feasible, the Board of Directors shall satisfy itself as to the integrity of the Chief Executive Officer and other senior officers and that the Chief Executive Officer and other senior officers create a culture of integrity throughout the Corporation.
2. Review and approve the annual operating plan (including the capital budget), strategic plan (which takes into account, among other things, the opportunities and risks facing the Corporation's business) and business objectives of the Corporation that are submitted by management and monitor the implementation by management of the strategic plan. During at least one meeting each year, the Board of Directors will review the Corporation's long-term strategic plans and the principal issues that the Corporation expects to face in the future.
3. Identify and review the principal business risks of the Corporation's business and oversee, with the assistance of the Audit Committee, the implementation and monitoring of appropriate risk management systems and the monitoring of risks.
4. Ensure, with the assistance of the Corporate Governance Committee, the effective functioning of the Board of Directors and its committees in compliance with the corporate governance requirements of stock exchange listing rules and applicable law, and that such compliance is reviewed periodically by the Corporate Governance Committee.
5. Develop the Corporation's approach to corporate governance. The Corporate Governance Committee shall develop a set of corporate governance principles and guidelines that are specifically applicable to the Corporation. The Board of Directors shall review and approve the principles and guidelines applicable to the Corporation and its officers, directors, and employees, including the Code of Ethics for Senior Officers and the Code of Business Conduct and Ethics.
6. Satisfy itself that internal controls and management information systems for the Corporation are in place, are evaluated as part of the internal auditing process and reviewed periodically on the initiative of the Audit Committee.
7. Assess the performance of the Corporation's executive officers, including monitoring the establishment of appropriate systems for succession planning as set forth in the Corporate Governance Guidelines of the Corporation (including appointing, training and monitoring senior management) and for periodically monitoring the compensation levels of such executive officers based on determinations and

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recommendations made by the Human Resources and Compensation Committee.

C-1

Table of Contents

8. Ensure that the Corporation has in place a policy for effective communication with shareowners, other stakeholders and the public generally.

9. Review and, where appropriate, approve the recommendations made by the various committees of the Board of Directors, including, without limitation, to: select nominees for election to the Board of Directors; appoint directors to fill vacancies on the Board of Directors; appoint and replace, as applicable, the chairman, the lead independent director, the members of the various committees of the Board of Directors and the chair of each such committee; and establish the form and amount of director compensation.

The Board of Directors has delegated to the Chief Executive Officer, working with the other executive officers of the Corporation and its affiliates, the authority and responsibility for managing the business of the Corporation in a manner consistent with the standards of the Corporation.

The Chief Executive Officer shall seek the advice and, in appropriate situations, the approval of the Board of Directors with respect to extraordinary actions to be undertaken by the Corporation, including those that would make a significant change in the financial structure or control of the Corporation, the acquisition or disposition of any significant business, the entry of the Corporation into a major new line of business or transactions involving related parties.

Measures for Receiving Shareowner Feedback:

The Corporation shall provide a mechanism for receiving feedback from shareowners regarding its publicly disseminated materials and otherwise. The Board of Directors, upon recommendation of the Corporate Governance Committee, will adopt specific procedures for permitting shareowner feedback and communication with the Board of Directors.

Expectations of Directors:

The Board of Directors shall develop and update, in conjunction with the Corporate Governance Committee, specific expectations of directors and such expectations shall be set out in the Corporate Governance Guidelines of the Corporation.

Annual Evaluation:

At least annually, the Board of Directors through the Corporate Governance Committee shall, in a manner the Board of Directors determines to be appropriate:

Conduct a review and evaluation of the performance of the Board of Directors and its members, its committees and their members, including the compliance of the Board of Directors with this mandate and of the committees with their respective charters.

Review and assess the adequacy of this mandate.

February 2013

Table of Contents

APPENDIX D

COTT CORPORATION (the Corporation)

AUDIT COMMITTEE (the Committee)

CHARTER

Purpose:

The Committee is appointed by the Board of Directors (the Board) to assist the Board in fulfilling the oversight responsibilities it has with respect to: (1) the integrity of the financial statements of the Corporation, (2) the compliance by the Corporation with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the Corporation's internal auditors and independent auditor.

Committee Authority and Responsibilities:

To fulfill its responsibilities and duties, the Committee shall:

Meetings

1. Report regularly to the Board by means of written or oral reports, submission of minutes of Committee meetings or otherwise, from time to time or whenever it shall be called upon to do so, including a review of any issues that arise with respect to the quality and integrity of the Corporation's financial statements, the Corporation's compliance with legal and regulatory requirements, the performance and independence of the Corporation's independent auditor, and the performance of the internal auditors.
2. Meet as often as it determines necessary, but not less frequently than quarterly. The Committee shall meet separately in person or telephonically, periodically, with management (including the Chief Financial Officer and Chief Accounting Officer), the internal auditors and the independent auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate. The Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meeting shall be determined by the Committee, unless otherwise provided for in the by-laws of the Corporation or otherwise determined by resolution of the Board.

Financial Statement and Disclosure Matters

3. Meet to review and discuss the annual audited financial statements with management and the independent auditor, including the Corporation's specific disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, and recommend to the Board whether the audited financial statements should be included in the Corporation's Form 10-K.
4. Meet to review and discuss the quarterly financial statements with management and the independent auditor prior to filing its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.
5. Discuss with management and the independent auditor significant financial accounting and reporting issues, complex or unusual transactions and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles.

Table of Contents

6. Review and discuss with management and the independent auditor any major issues as to the adequacy of the Corporation's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
7. Prepare the audit report required by the rules of the Securities and Exchange Commission to be included in the Corporation's annual proxy circular and any other Committee reports required by applicable securities laws or stock exchange listing requirements or rules.
8. Discuss with management the Corporation's earnings press releases (including the use of any pro forma or adjusted non-GAAP information) prior to the public disclosure thereof by the Corporation, as well as financial information and earnings guidance provided to analysts and rating agencies.
9. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures, if any, on the Corporation's financial statements.
10. Review disclosures made to the Committee by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.
11. Review and discuss with management (including the senior internal audit executive) and the independent auditor the Corporation's internal controls report and the independent auditor's attestation of the report prior to the filing of the Corporation's Form 10-K.

Oversight of the Corporation's Risk Management Function

12. Oversee the risk management activities of the Corporation, which will include holding periodic discussions with management regarding the Corporation's guidelines and policies with respect to risk assessment, risk management, and major strategic, financial and operational risk exposures such as fraud, environmental, competitive and regulatory risks. The Committee shall receive regular reports regarding such risks and the steps management has taken to monitor and control any exposure resulting from such risks. The Committee shall, on at least an annual basis, facilitate a discussion with the Board regarding the Corporation's risk management function and the Corporation's major strategic, financial and operational risk exposures.

Oversight of the Corporation's Relationship with the Independent Auditor

13. Subject to compliance with the requirements of applicable laws, the Committee shall have the sole authority to appoint or replace the independent auditor (subject, if applicable, to shareholder ratification). The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor and advisors retained by the Committee (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services. The independent auditor shall report directly to the Committee.
14. Before the engagement of the independent auditor and at least annually thereafter, review and discuss with the independent auditor the independent auditor's written communications to the Committee regarding the relationships between the auditor and the Corporation that, in the auditor's professional judgment, may reasonably be thought to bear on its independence and affirming in writing to the Committee that the auditor is independent.

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15. Review with the independent auditor any audit problems or difficulties and management's response. This review should include a discussion of (a) any restrictions on the scope of the independent auditor's activities or on access to requested information, and (b) any significant disagreements with management. The Committee may review, as it deems appropriate, (i) any accounting adjustments that were noted or proposed by the independent auditor but were passed (as immaterial or otherwise) (ii) any communications between

D-2

Table of Contents

- the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement; and (iii) any management or internal control letter issued, or proposed to be issued, by the independent auditor to the Corporation.
16. Subject to compliance with the requirements of applicable law, the Committee shall set clear hiring policies for employees or former employees and partners or former partners of the current and former independent auditor.
 17. The Committee shall, at least annually, obtain and review a report from the independent auditor describing: (i) the independent auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the auditor, and any steps taken to deal with any such issues, and (iii) all relationships between the independent auditor and the Corporation.
 18. Based on the above mentioned report, the Committee shall evaluate the qualifications, performance and independence of the independent auditor, and select the Corporation's auditor for the next year, subject to shareholder ratification. In this evaluation, the Committee shall (i) consider whether the independent auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the independent auditor's independence, (ii) evaluate the lead partner of the independent auditor's team and make sure that there is a regular rotation of the lead partner, and consider whether, in order to assure continuing auditor independence, there should be regular rotation of the independent auditing firm on a regular basis, (iii) evaluate the independent auditor's team and make sure that there is a regular rotation in compliance with applicable laws, and (iv) take into account the opinions of management and internal auditors. The Committee shall present its conclusions with respect to the independent auditor to the Board.
 19. The Committee shall review and discuss quarterly reports from the independent auditor (required by Section 10A of the Securities Exchange Act of 1934 (the Exchange Act)) on (a) all critical accounting policies and practices to be used, (b) all alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
 20. The Chair of the Committee shall be permitted to pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Corporation by its independent auditor or its subsidiary entities; provided that any such pre-approvals shall be subject to ratification by the Committee at its next meeting. This permission is also subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit. The Committee shall review and discuss with the independent auditor any documentation supplied by the independent auditor as to the nature and scope of any tax services to be approved, as well as the potential effects of the provision of such services on the auditor's independence.
 21. Meet with the independent auditor prior to the audit to review and discuss the planning and staffing of the audit.
- Oversight of the Corporation's Internal Audit Function**
22. The senior internal audit executive will report directly to the Chair of the Committee and administratively on a dotted line to the Corporation's Chief Financial Officer. The Committee will review and advise on the selection and removal of the senior internal audit executive.
 23. Review the significant reports to management prepared by the internal audit department and management's responses.

Table of Contents

24. Periodically review, with the independent auditor, the internal audit department's responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
25. Periodically review, with the senior internal audit executive, any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work.
26. Annually, review and recommend changes (if any) to the internal audit charter.

Compliance Oversight Responsibilities

27. Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.
28. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls and auditing matters, and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
29. Periodically review and discuss with management, the internal auditors, and the independent auditor the overall adequacy and effectiveness of the Corporation's legal, regulatory and ethical compliance programs, including the Corporation's Code of Business Conduct and Ethics and Code of Ethics for Senior Officers. The Committee shall periodically receive from management confirmation of its compliance with material legal and regulatory compliance requirements. The Committee shall advise the Board with respect to the Corporation's policies and procedures regarding compliance with applicable laws and regulations and with the Corporation's Code of Business Conduct and Ethics and Code of Ethics for Senior Officers.
30. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Corporation's financial statements or accounting policies.
31. Discuss with the Corporation's General Counsel legal matters that may have a material impact on the financial statements or the Corporation's compliance policies and internal controls.
32. It is understood that in order to properly carry out its responsibilities, the Committee shall have the authority, without seeking Board approval and to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Corporation shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Corporation and to any advisors employed by the Committee, as well as the funding levels for the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Committee Membership and Evaluation:

33. Upon the recommendation of the Corporate Governance Committee, the Board shall elect annually from among its members a committee to be known as the Audit Committee to be composed of at least three independent directors, none of whom shall (a) accept directly or indirectly from the Corporation or any subsidiary of the Corporation any consulting, advisory or other compensatory fee or (b) be affiliated with the Corporation or (c) be officers or employees of the Corporation or of any of its affiliates, or have been an officer or employee of the Corporation, any of its affiliates or the independent auditor in the three years prior to being appointed to the Committee or (d) be an immediate family member of any of these persons.

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34. Each member of the Committee shall meet the independence, experience and financial literacy requirements of any stock exchange upon which the Corporation's stock is listed from time to time and in accordance with applicable law, including applicable listing standards. At least one member of the Committee shall be an audit committee financial expert (as defined by the Securities and Exchange Commission).

D-4

Table of Contents

35. Committee members shall not simultaneously serve on the audit committees of more than two other public companies unless the Board determines that simultaneous service on more than two other audit committees would not impair such member's ability to effectively serve on the Committee. If such a determination is made, it must be disclosed in the Corporation's annual proxy circular.
36. A majority of the members of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present (in person or by means of telephone conference whereby each participant has the opportunity to speak to and hear one another) or by a resolution in writing signed by all the members of the Committee. Polling of Committee members in lieu of a meeting is not permitted.
37. Each member of the Committee shall hold such office until the next annual meeting of shareholders after election as a member of the Committee. However, any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director or otherwise ceases to be qualified to be a member of the Committee.
38. Upon the recommendation of the Corporate Governance Committee, the Board shall elect a member of the Committee to act as Chair (the Chair). The Chair will appoint a secretary who will keep minutes of all meetings (the Secretary), which shall be circulated to members of the Board upon completion. The Secretary need not be a member of the Committee or a director and can be changed by simple notice from the Chair.
39. The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
40. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Committee at its next scheduled meeting.
41. The Committee shall review and reassess the adequacy of this Charter periodically, at least on an annual basis, as conditions dictate. The Committee shall annually review and assess the Committee's own performance.

Disclosure:

This charter shall be made available on the Corporation's website.

Interpretations and Determinations:

The Committee and the Board shall have the power and authority to interpret this charter and make any determinations as to whether any act taken has been taken in compliance with the terms hereof.

Limitation of Audit Committee's Role:

It is not the duty of the Committee to prepare financial statements, to plan or conduct audits or to determine that the Corporation's financial statements and disclosure are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

Rev. February 2013

Table of Contents

Cott Corporation

6525 Viscount Road

Mississauga, Ontario, Canada

L4V1H6

www.cott.com

5519 West Idlewild Avenue

Tampa, Florida U.S.A.

33634

Table of Contents

9th Floor, 100 University Avenue

Toronto, Ontario M5J 2Y1

www.computershare.com

Security Class

Holder Account Number

Fold

This Form of Proxy is solicited by and on behalf of management and the board of directors.

Notes to proxy

- 1. Every holder has the right to appoint some other person of their choice, who need not be a holder, to attend and act on their behalf at the meeting. If you wish to appoint a person other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided (see reverse).**
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc.), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name appears on the proxy.
4. If this proxy is not dated, it will be deemed to bear the date on which it is mailed by management to the holder.
- 5.

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The securities represented by this proxy will be voted or withheld from voting in accordance with the instructions of the holder, however, if you do not specify how to vote in respect of any matter, your proxyholder is entitled to vote your shares as he or she sees fit. If this proxy does not specify how to vote on a matter, and if you have authorized a director or officer of Cott Corporation to act as your proxyholder, this proxy will be voted as recommended by management. In particular, if your proxy does not specify how to vote, this proxy will be voted:

FOR the nominees listed in resolution number 1. Election of Directors,

FOR the approval of the appointment of Cott's independent registered public accounting firm set out in resolution number 2. Approval of Appointment of Independent Registered Public Accounting Firm,

FOR the approval of our executive compensation by non-binding advisory vote set out in resolution number 3. Advisory Vote on Executive Compensation, and

FOR the approval of the Amended and Restated Cott Corporation Equity Incentive Plan set out in resolution number 4. Approval of Amended and Restated Cott Corporation Equity Incentive Plan.

6.

This proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the meeting and at any continuation of the meeting after an adjournment thereof. Fold

7. This proxy should be read in conjunction with the accompanying documentation provided by management.

Proxies submitted must be received by 5:00 p.m. (local time in Toronto, Ontario, Canada) on April 26, 2013.

THANK YOU

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If you vote by telephone or the Internet, DO NOT mail back this proxy.

Voting by mail may be the only method for securities held in the name of a corporation or securities being voted on behalf of another individual.

Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the management nominees named on the reverse of this proxy. Instead of mailing this proxy, you may choose one of the two voting methods outlined above to vote this proxy.

To vote by telephone or the Internet, you will need to provide your CONTROL NUMBER listed below.

CONTROL NUMBER

00Y3YB

Table of Contents

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This Form of Proxy is solicited by and on behalf of management and the board of directors.

Appointment of Proxyholder

I/We being shareowner(s) of Cott Corporation hereby appoint: David T. Gibbons, Chairman, or failing him, Marni Morgan Poe, Vice-President, General Counsel & Secretary

Print the name of the person you are appointing if this person is someone other than the Chairman or Secretary

OR

as my/our proxyholder with full power of substitution and to vote in accordance with the following direction (or if no directions have been given, as the proxyholder sees fit) at the Annual and Special Meeting of shareowners of Cott Corporation to be held at The Westin Bristol Place, Toronto Airport, 950 Dixon Road, Toronto, Ontario, Canada, on Tuesday, April 30, 2013 at 8:30 a.m. (local time in Toronto, Ontario, Canada), and at any continuation of the meeting after an adjournment thereof. Discretionary authority is hereby conferred with respect to any amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the meeting and at any continuation of the meeting after an adjournment thereof. As of March 15, 2013, management is not aware of any such amendments, variations or other matters to be presented at the meeting.

1. Election of Directors The proposed nominees named in the accompanying Proxy Circular are:

01. Mark Benadiba; 02. George A. Burnett; 03. Jerry Fowden; 04. David T. Gibbons; 05. Stephen H. Halperin; 06. Betty Jane Hess; 07. Gregory Monahan; 08. Mario Pillozzi; 09. Andrew Prozes; 10. Eric Rosenfeld; 11. Graham Savage

Fold

FOR all nominees listed above:	w	..
FOR all nominees listed above other than:	w	..
WITHHOLD vote for all nominees listed above:	w	..

Please specify the

name of the individual(s)

from whom you wish to

withhold your vote:

2. Approval of Appointment of Independent Registered Public Accounting Firm **For w** " **Against w** " **Withhold w** "

Appointment of PricewaterhouseCoopers LLP as Independent Registered Public Accounting Firm.

3. Advisory Vote on Executive Compensation **For w** " **Against w** " **Withhold w** "

Approval, on a non-binding advisory basis, of the compensation of Cott's named executive officers.

4. Approval of Amended and Restated Cott Corporation Equity Incentive Plan **For w** " **Against w** "

Approval of the Amended and Restated Cott Corporation Equity Incentive Plan

Fold

Authorized Signature(s) - Sign Here - This section must be completed for your instructions to be executed.

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the meeting. **If no voting instructions are indicated above, this proxy will be voted as recommended by management.**

Signature(s)

Date

Interim Financial Statements Request

In accordance with Canadian securities regulations, shareowners may elect to receive interim financial statements, if they so request. Mark this box if you would like to receive interim financial statements and accompanying Management's Discussion and Analysis by mail. If you do not mark this box, or do not return this PROXY, then it will be assumed you do NOT want to receive interim financial statements and the accompanying Management's Discussion and Analysis.

If you are not mailing back your proxy, you may register online to receive the above financial statement(s) by mail at www.computershare.com/maillinglist.

Annual Financial Statements Request

Mark this box if you would NOT like to receive annual financial statements and accompanying Management's Discussion and Analysis by mail. If you do not mark this box, or do not return this PROXY, then the annual financial statements and accompanying Management's Discussion and Analysis will continue to be sent to you.